# ■ 1AC’s

# 1AC (vs policy teams)

## ADV 1 – innovation

#### Some antitrust action against big tech is inevitable BUT it’s not happening now. Big tech controls excessive market share and stifles innovation : buyout or bankrupting of competitors, brain drain of best engineers

JUNEJA 2021 (Prachi, Sr. Leader Advanced Analytic Solutions at Dun & Bradstreet, “Why The Big Tech Monopoly Needs To Be Broken? “, Management Study Guide, accessed 8/18/21, https://www.managementstudyguide.com/the-big-tech-monopoly-needs-to-be-broken.htm [CORNELL DBT], note: //// indicates par. breaks)[AR SUMMER21]

It seems like the big tech companies like Google, Apple, Amazon and Facebook are on the people’s radar. First, there has been an advocate group set up called “Freedom from Facebook”. This group is vehemently arguing that Facebook should be split up. According to this firm, Facebook has too much monopoly power. Hence, just like Standard Oil and US Steel were spilt up, Facebook too should be split up into Facebook, Messenger and Whatsapp.//// The idea is to reduce the size of these corporations as well as the clout that they have over people. At the present moment each of the four companies mentioned above has over 80% market share in their respective businesses. Google is dominating the search engine market whereas Facebook is dominating the mobile segment.//// In this article, we will have a look at some of the arguments that have been made to convince the people that the tech monopoly gets broken up. Some of the important reasons have been mentioned below.//// Combined Clout: The combined market capitalization of these four companies is more than the GDP of most nations. Only countries like China and United States have more money than these companies. This is not a good sign! Companies that have so much power tend to dominate and abuse the competition. Facebook is known for either buying out its competition or making the situation so bad that the competition becomes bankrupt! It is no secret that Facebook was lobbying against the net neutrality principle. These companies have become so big that they are trying to threaten the openness of the internet i.e. the very medium that they were built upon. Since there is too much money and power in too few hands, the antitrust act needs to be deployed. It would not be an anti-capitalist measure. This is because capitalists believe in free market and competition. The current situation in the tech market is not even remotely close to a free market.//// Fake News: The political power that Facebook holds has been seen recently in the Cambridge Analytica scandal. Facebook has become the primary medium that is used by millennials to access their daily news. Not many users bother to verify the authenticity of the news that they read. As a result, a lot of fake news has been circulating on Facebook. The problem is that people start believing this fake news and acting on it. It is said that Donald Trump has benefitted significantly from the fake news outbreaks on Facebook. Since Facebook unilaterally decides the news content of billions of people around the globe, it needs to be broken down. The world does not need another bunch of “too big to fail” institutions.//// Smothering Innovation: Companies like Google and Facebook have been smothering innovation in several ways. Firstly, they intimidate competition and try to buy them out at rock bottom prices. Secondly, they have been hiring from American Universities in large numbers. Prior to this intelligent engineers from Ivy league American universities used to do meaningful work. However, since the advent of these big tech companies, the smartest engineers are not working on cutting edge technology for the betterment of the world. Instead, the smartest engineers are now working to sell personal information to unscrupulous advertisers. Since the workforce is being diverted to non-productive tasks, the speed of innovation is being stifled.//// Privacy Issues: Google and Facebook have recently been under fire for not paying enough attention to the privacy of people. One of the biggest reasons that they have been able to ignore the privacy of the users is because they are too big in size and have no real competition. Companies like Facebook and Google know that the users don’t really have an alternative. This is the reason why they have been including more and more aggressive clauses in their terms and conditions. If users do not want to accept these terms and conditions, they have no option but to log off social media entirely. Since that is not really a practical option for many users, they agree to give up their privacy even though they really don’t want to. The industry needs a government body to break up these institutions. That would introduce some competitors in the field which would then keep a check on the privacy policies of these companies.//// The main reason why tech companies need to be broken up is not anti-capitalist. In fact, these companies have become anti-capitalist. Capitalism promotes free market and competition whereas these companies do not. As a result, the implementation of anti-trust laws to these companies has become inevitable. The public pressure on these companies has already begun rising. They will not be able to suppress the pressure for very long.

#### DOD increasingly contracts with big-tech

GLASER 2018 (April, reporter on tech investigations for NBC, “The Line Between Big Tech and Defense Work”, Wired, 05/2/2018, <https://www.wired.com/story/the-line-between-big-tech-and-defense-work/> [CORNELL DBT], note://// indicates par. breaks)[AR SUMMER21]

FOR MONTHS, A growing faction of Google employees has tried to force the company to drop out of a controversial military program called Project Maven. More than 4,000 employees, including [dozens of senior engineers](https://www.nytimes.com/2018/04/04/technology/google-letter-ceo-pentagon-project.html), have signed a petition asking Google to cancel the contract. Last week, [Gizmodo reported](https://gizmodo.com/google-employees-resign-in-protest-against-pentagon-con-1825729300) that a dozen employees resigned over the project. “There are a bunch more waiting for job offers (like me) before we do so,” one engineer says. On Friday, employees communicating through an internal mailing list discussed refusing to interview job candidates in order to slow the project’s progress. //// Other tech giants have recently secured high-profile contracts to build technology for defense, military, and intelligence agencies. In March, Amazon [expanded](https://aws.amazon.com/blogs/security/aws-secret-region-expands-to-include-11-new-services/) its newly launched "Secret Region" [cloud services](https://aws.amazon.com/blogs/publicsector/announcing-the-new-aws-secret-region/) supporting top-secret work for the Department of Defense. The same week that news broke of the Google resignations, [Bloomberg reported](https://www.bloomberg.com/amp/news/articles/2018-05-16/microsoft-wins-lucrative-cloud-deal-with-intelligence-community) that Microsoft locked down a deal with intelligence agencies. But there’s little sign of the same kind of rebellion among Amazon and Microsoft workers. //// Employees from the three companies say the different responses reflect different company cultures, as well as the specifics of the contracts. Project Maven is an effort to use artificial intelligence to interpret images from drones. Amazon and Microsoft also provide the government with artifical intelligence to analyze data, including [image recognition](https://aws.amazon.com/blogs/publicsector/amazon-rekognition-demo-for-defense/). But Project Maven’s focus on drones combined with Google’s unusually open culture---the company has been riven for months by [debates](https://www.wired.com/story/the-dirty-war-over-diversity-inside-google/) [and](https://www.wired.com/story/new-lawsuit-exposes-googles-desperation-to-improve-diversity/) [lawsuits](https://www.wired.com/story/james-damores-lawsuit-is-designed-to-embarrass-google/) over workplace diversity---has emboldened employees to speak out.

#### DOD tech is in decline – that increases adversary power

**Greenwalt 21** [Bill Greenwalt is a nonresident senior fellow at the American Enterprise Institute (AEI), 3-9-2021, "Competing in Time: How DoD Is Losing The Innovation Race To China," Breaking Defense, <https://breakingdefense.com/2021/03/competing-in-time-how-dod-is-losing-the-innovation-race-to-china/>] [RL 21] [//indicates pargraph breaks]

If the new DOD task force on China is serious about looking at the state of our technology competition, it needs to understand that the balance of technological power has shifted – and it has primarily been a self-inflicted wound. The best ideas no longer arise in a US defense industry encumbered by 60 years of Stalinist-style central planning and security controls, but from commercial sources that once were primarily in the U.S. and are now globalized. // What is most important is that, in these private industries, time-based innovation, experimentation, and operational prototyping are the coin of the realm. For better or worse, the way the U.S. military innovated in the 1950s, before well-intended “reforms” stifled creativity and risk-taking, is now the dominant model for commercial innovators worldwide, including in adversary nations. To make matters worse, the current U.S. defense innovation model’s lack of value and disregard for time now keep some of the best firms and engineers from working on defense solutions. // We’ve tried to fix this problem – with very limited success. Five years ago, Senator John McCain, then Chairman of the Senate Armed Services Committee, came to the conclusion that the U.S. was not only losing its technological edge, but was at risk of falling behind in the military competition with its adversaries. He intuitively understood that there was a need to go faster and that startups like SpaceX were innovating the way the U.S. government once did during the Space Race. The result of these concerns was the enactment into law of a series of new authorities to streamline or outright bypass the rigidly linear and centrally planned budget, contracting, acquisition, and requirements processes. These changes were designed to allow the military services and defense agencies a pathway around the existing system to once again focus on speedy development and deployment. // A return to a focus on time and urgency was designed to be the new driving factor in defense innovation. This would allow the U.S. to go back to an era of experimentation, rapid operational prototyping, and the placing of multiple competing technological bets all designed to get capability in the hands of the warfighter in less than five years. The McCain reforms were based on historical data and case examples of what the U.S. was once able to achieve in World War II and at the height of the Cold War. A new report issued by the Hudson Institute on Competing in Time mines this data and compares the time it has taken DOD and the commercial sector to bring innovation to market since World War II. This report, which I co-wrote with Dan Patt, outlines the enormity of the time-based innovation problem the U.S. now faces in our competition with China. // The results are not inspiring. Five years later, despite McCain’s efforts, we may have already lost the next arms race and have no clear path to regain the initiative. There have been a few pockets of excellence in the Air Force, the Defense Innovation Unit, and various defense innovation cells that have tried to take advantage of the new acquisition flexibilities such as Section 804 Mid-Tier Acquisition and expanded Other Transactions authorities. However, unimaginative implementation and even outright sabotage by the central planning apparatchiks in DoD and congressional staff bureaucracies have undermined these reforms. // This is not being done out of malice or support for the Chinese communist party, but because the current staff and civil servants who advise members of Congress and political appointees are victims of a seven-decades-old ideology and management approach. This approach, now deeply engrained in defense management culture, process, law, and regulation, is based on the concepts of scientific management that were once fashionable in the Soviet Union and at the vanguard of the 1950s U.S. auto industry before it was outcompeted by Japan in the 1970s. Centralized, predictive program budgeting, management, and oversight were then thought to be superior to the trial and error and messiness of time-constrained, decentralized experimentation and the seemingly wastefulness of having multiple sources rapidly prototyping potential solutions.

#### U.S. military tech decline risks global great power war – China, North Korea, and Russia.

**Economist 18** [The Economist is an international weekly newspaper printed in magazine-format and published digitally that focuses on current affairs, international business, politics, and technology. , “The growing danger of great-power conflict”, <https://www.economist.com/leaders/2018/01/25/the-growing-danger-of-great-power-conflict>, January 25, 2018] [RL 21]

How shifts in technology and geopolitics are renewing the threat. IN THE past 25 years war has claimed too many lives. Yet even as civil and religious strife have raged in Syria, central Africa, Afghanistan and Iraq, a devastating clash between the world’s great powers has remained almost unimaginable. No longer. Last week the Pentagon issued a new national defence strategy that put China and Russia above jihadism as the main threat to America. This week the chief of Britain’s general staff warned of a Russian attack. Even now America and North Korea are perilously close to a conflict that risks dragging in China or escalating into nuclear catastrophe. As our special report this week on the future of war argues, powerful, long-term shifts in geopolitics and the proliferation of new technologies are eroding the extraordinarymilitary dominance that America and its allies have enjoyed. Conflict on a scale and intensity not seen since the second world war isonce again plausible. The world is not prepared. The pity of war The pressing danger is of war on the Korean peninsula, perhaps this year. Donald Trump has vowed to prevent Kim Jong Un, North Korea’s leader, from being able to strike America with nuclear-armed ballistic missiles, a capability that recent tests suggest he may have within months, if not already. Among many contingency plans, the Pentagon is considering a disabling pre-emptive strike against the North’s nuclear sites. Despite low confidence in the success of such a strike, it must be prepared to carry out the president’s order should he give it. Even a limited attack could trigger all-out war. Analysts reckon that North Korean artillery can bombard Seoul, the South Korean capital, with 10,000 rounds a minute. Drones, midget submarines and tunnelling commandos could deploy biological, chemical and even nuclear weapons. Tens of thousands of people would perish; many more if nukes were used. This newspaper has argued that the prospect of such horror means that, if diplomacy fails, North Korea should be contained and deterred instead. Although we stand by our argument, war is a real possibility (see article). Mr Trump and his advisers may conclude that a nuclear North would be so reckless, and so likely to cause nuclear proliferation, that it is better to risk war on the Korean peninsula today than a nuclear strike on an American city tomorrow. Even if China stays out of a second Korean war, both it and Russia are entering into a renewal ofgreat-powercompetitionwith the West**.** Their ambitions will be even harder to deal with than North Korea’s. Three decades of unprecedented economic growth have provided China with the wealth to transform its armed forces, and given its leaders the sense that their moment has come. Russia, paradoxically, needs to assert itself now because it is in long-term decline. Its leaders have spent heavily to restore Russia’s hard power, and they are willing to take risks to prove they deserve respect and a seat at the table. Both countries have benefited from the international order that America did most to establish and guarantee. But they see its pillars—universal human rights, democracy and the rule of law—as an imposition that excuses foreign meddling and undermines their own legitimacy. They are now revisionist states that want to challenge the status quo and look at their regions as spheres of influence to be dominated. For China, that means East Asia; for Russia, eastern Europe and Central Asia. Neither China nor Russia wants a direct military confrontation with America that they would surely lose. But they are using their growing hard power in other ways, in particular by exploiting a “grey zone”where aggression and coercion work just below the level that would risk military confrontation with the West. In Ukraine Russia has blended force, misinformation, infiltration, cyberwar and economic blackmail in ways that democratic societies cannot copy and find hard to rebuff. China is more cautious, but it has claimed, occupied and garrisoned reefs and shoals in disputed waters. China and Russia have harnessed military technologies invented by America, such as long-range precision-strike and electromagnetic-spectrum warfare, to raise the cost of intervention against them dramatically. Both have used asymmetric-warfare strategies to create “anti-access/area denial” networks. China aims to push American naval forces far out into the Pacific where they can no longer safely project power into the East and South China Seas. Russia wants the world to know that, from the Arctic to the Black Sea, it can call on greater firepower than its foes—and that it will not hesitate to do so. If America allows China and Russia to establish regional hegemonies, either consciously or because its politics are too dysfunctional to muster a response, it will have given them a green light to pursue their interests by brute force. When that was last tried, the result was the first world war. Nuclear weapons, largely a source of stability since 1945, may add to the danger. Their command-and-control systems are becoming vulnerable to hacking by new cyber-weapons or “blinding” of the satellites they depend on. A country under such an attack could find itself under pressure to choose between losing control of its nuclear weapons or using them. Vain citadels What should America do? Almost 20 years of strategic drift has played into the hands of Russia and China. George W. Bush’s unsuccessful wars were a distraction and sapped support at home for America’s global role. Barack Obama pursued a foreign policy of retrenchment, and was openly sceptical about the value of hard power. Today, Mr Trump says he wants to make America great again, but is going about it in exactly the wrong way. He shuns multilateral organisations, treats alliances as unwanted baggage and openly admires the authoritarian leaders of America’s adversaries. It is as if Mr Trump wants America to give up defending the system it created and to join Russia and China as just another truculent revisionist power instead. America needs to accept that it is a prime beneficiary of the international system and that it is the only power with the ability and the resources to protect it from sustained attack. The soft power of patient and consistent diplomacy is vital, but must be backed by the hard power that China and Russia respect. America retains plenty of that hard power, but it is fast losing the edge in military technology that inspired confidence in its allies and fear in its foes. To match its diplomacy, America needs to invest in new systems based on robotics, artificial intelligence, big data and directed-energy weapons. Belatedly, Mr Obama realised that America required a concerted effort to regain its technological lead, yet there is no guarantee that it will be the first to innovate. Mr Trump and his successors need to redouble the effort. The best guarantor of world peace is a strong America. Fortunately, it still enjoys advantages. It has rich and capable allies, still by far the world’s most powerful armed forces, unrivalled war-fighting experience, the best systems engineers and the world’s leading tech firms. Yet those advantages could all too easily be squandered. Without America’s commitment to the international order and the hard power to defend it against determined and able challengers, the dangers will grow. If they do, the future of war could be closer than you think.

#### Chinese sphere of influence causes great power war

**Brands 20** [HAL BRANDS is Henry A. Kissinger Distinguished Professor of Global Affairs at the Johns Hopkins School of Advanced International Studies (SAIS), a resident scholar at the American Enterprise Institute, and a Bloomberg Opinion columnist. “Don’t Let Great Powers Carve Up the World Spheres of Influence Are Unnecessary and Dangerous”, [https://www.foreignaffairs.com/articles/china/2020-04-20/dont-let-great-powers-carve-world]](https://www.foreignaffairs.com/articles/china/2020-04-20/dont-let-great-powers-carve-world%5d) [RL 21] [//indicates pargraph breaks]

Opposition to spheres of influence, in other words, is a part of U.S. diplomatic DNA. The reason for this, Charles Edel and I argued in 2018, is that spheres of influence clash with fundamental tenets of U.S. foreign policy. Among them is the United States’ approach to security, which holds that safeguarding the country’s vital interests and physical well-being requires preventing rival powers from establishing a foothold in the Western Hemisphere or dominating strategically important regions overseas. Likewise, the United States’ emphasis on promoting liberty and free trade translates to a concern that spheres of influence—particularly those dominated by authoritarian powers—would impede the spread of U.S. values and allow hostile powers to block American trade and investment. Finally, spheres of influence do not mesh well with American exceptionalism—the notion that the United States should transcend the old, corrupt ways of balance-of-power diplomacy and establish a more humane, democratic system of international relations. // Of course, that intellectual tradition did not stop the United States from building its own sphere of influence in Latin America from the early nineteenth century onward, nor did it prevent it from drawing large chunks of Europe, East Asia, and the Middle East into a global sphere of influence after World War II. Yet the same tradition has led the United States to run its sphere of influence far more progressively than past great powers, which is why far more countries have sought to join that sphere than to leave it. And since hypocrisy is another venerable tradition in global affairs, it is not surprising that Americans would establish their own, relatively enlightened sphere of influence while denying the legitimacy of everyone else’s. // That endeavor reached its zenith in the post–Cold War era, when the collapse of the Soviet bloc made it possible to envision a world in which Washington’s sphere of influence—also known as the liberal international order—was the only game in town. The United States maintained a world-beating military that could intervene around the globe; preserved and expanded a global alliance structure as a check on aggression; and sought to integrate potential challengers, namely Beijing and Moscow, into a U.S.-led system. It was a remarkably ambitious project, as Allison rightly notes, but it was the culmination of, rather than a departure from, a diplomatic tradition reaching back two centuries. // GIVE THEM AN INCH… // The post–Cold War moment is over, and the prospect of a divided world has returned. Russia is projecting power in the Middle East and staking a claim to dominance in its “near abroad.” China is seeking primacy in the western Pacific and Southeast Asia and using its diplomatic and economic influence to draw countries around the world more tightly into its orbit. Both have developed the tools needed to coerce their neighbors and keep U.S. forces at bay. // Allison is one of several analysts who have recently advanced the argument that the United States should make a virtue of necessity—that it should accept Russian and Chinese spheres of influence, encompassing some portion of eastern Europe and the western Pacific, as the price of stability and peace. The logic is twofold: first, to create a cleaner separation between contending parties by clearly marking where one’s influence ends and the other’s begins; and second, to reduce the chances of conflict by giving rising or resurgent powers a safe zone along their borders. In theory, this seems like a reasonable way of preventing competition from turning into outright conflict, especially given that countries such as Taiwan and the Baltic states lie thousands of miles from the United States but on the doorsteps of its rivals. Yet in reality, a spheres-of-influence world would bring more peril than safety. // Russia’s and China’s spheres of influence would inevitably be domains of coercion and authoritarianism. Both countries are run by illiberal, autocratic regimes; their leaders see democratic values as profoundly threatening to their political survival. If Moscow and Beijing dominated their respective neighborhoods, they would naturally seek to undermine democratic governments that resist their control—as China is already doing in Taiwan and as Russia is doing in Ukraine—or that challenge, through their very existence, the legitimacy of authoritarian rule. The practical consequence of acceding to authoritarian spheres of influence would be to intensify the crisis of democracy that afflicts the world today. // The United States would suffer economically, too. China, in particular, is a mercantilist power already working to turn Asian economies toward Beijing and could one day put the United States at a severe disadvantage on the world’s most economically dynamic continent. Washington should not concede a Chinese sphere of influence unless it is also willing to compromise the “Open Door” principles that have animated its statecraft for over a century. // Such costs might be acceptable in exchange for peace and security. But spheres of influence during the Cold War did not prevent the Soviets from repeatedly testing American redlines in Berlin, causing high-stakes crises in which nuclear war was a real possibility. Nor did those spheres prevent the two sides from competing sharply, and sometimes violently, throughout the “Third World.” Throughout history, spheres-of-influence settlements, from the Thirty Years’ Peace between Athens and Sparta to the Peace of Amiens between the United Kingdom and Napoleonic France have often ended, sooner or later, in war.

#### China tech leadership also leads to AI – causes nuclear war.

**Orts 18**  [Eric Orts is the Guardsmark Professor at The Wharton School, University of Pennsylvania, 6/27/18, “Foreign Affairs: Six Future Scenarios (and a Seventh),” <https://www.linkedin.com/pulse/foreign-affairs-six-future-scenarios-seventh-eric-orts>] [RL 20]

7. Fascist Nationalism. There is another possible future that the Foreign Affairs scenarios do not contemplate, and it’s a dark world in which Trump, Putin, Xi, Erdogan, and others construct regimes that are authoritarian and nationalist. Fascism is possible in the United States and elsewhere if big business can be seduced by promises of riches in return for the institutional keys to democracy. Perhaps Foreign Affairs editors are right to leave this dark world out, for it would be very dark: nationalist wars with risks of escalation into global nuclear conflict, further digital militarization (even Terminator-style scenarios of smart military robots), and **unchecked climate disasters**. The global challenges are quite large – and the six pieces do an outstanding job of presenting them. One must remain optimistic and engaged, hopeful that we can overcome the serious dangers of tribalism, nationalism, and new fascism. These "isms” of our time stand in the way of solving some of our biggest global problems, such as the risks of **thermonuclear war** and global climate catastrophe.

#### Plan solves - restoring intra-US competition spurs innovation – key to defeat adversaries in the tech race.

**Wheeler 21** [Tom Wheeler Visiting Fellow - Governance Studies, Center for Technology Innovation at the Brookings Institue, 4-16-2021, "The Chinese government embraces tech industry competition," Brookings, <https://www.brookings.edu/blog/techtank/2021/04/16/the-chinese-government-embraces-tech-industry-competition/>] [RL 21] [// indicates paragraph breaks]

COMPETING WITH CHINA MEANS OUT-INNOVATING CHINA // The threat of Chinese dominance in the digital sphere is real. China remains a managed economy that is using digital technology to promote its ideology and expand its economic influence throughout the world. It has established a national goal to be the world leader in artificial intelligence by 2030. // But the myth propounded by Big Tech that monopolies are the way to protect a nation’s innovative future has been exposed by the very bogeyman with which the big companies have been trying to scare us. // China’s vibrant tech community and its huge population’s embrace of digital services are indeed a competitive threat to the United States. China’s competitive advantage is their ability to out-bulk the U.S. as 1.5 billion people generate data that can then be repurposed for other applications including artificial intelligence (AI) and new products and services. // With a population one-fifth the size of China, the U.S. will never be able to out-bulk China’s data collection. The American solution must be to out-innovate China. There are two keys to such innovation: competition and access to the necessary assets. // COMPETITION BEGINS AT HOME // The solution to competition with the Chinese begins with competition in the United States. It is competition that drives innovation. // The tech companies have been selling the idea that their size and dominant market position is a national competitive advantage enabling them to push the boundaries of innovation. But what kind of innovation? The companies’ fiduciary responsibility is to their shareholders, not the national interest. This means returns to the company come first. Innovation is for the purpose of advancing shareholder value. If there is a benefit to the national interest, it is a secondary effect. // The companies with the best potential for innovative expansion—the kind of growth needed to compete with China—are smaller, innovation-focused companies. These are the companies whose fiduciary responsibility is the entrepreneurial pushing of the boundaries of development rather than the continuation of market dominance. // The Chinese government, it would seem, has embraced the benefits of good old-fashioned American competition, and moved quickly on its implementation. In the United States, however, protecting domestic American competition—and consumers—remains a work in progress that legislators, regulators, and courts have yet to resolve. // Competition built the American economy. Competition drives innovation. “Competition, competition, competition” must be our national policy.

## Plan (total welfare)

#### The United States Federal Government Should replace the consumer welfare standard with the total welfare standard.

## ADV 2 – democracy

#### Big Tech destroys democracy in multiple ways

#### A) Spreads misinformation by authoritarian states

GALLOWAY professor @ NYU school of business 2018 (Scott, “Silicon Valley’s Tax-Avoiding, Job-Killing, Soul-Sucking Machine “. Esquire, Feb 8, https://www.esquire.com/news-politics/a15895746/bust-big-tech-silicon-valley/ [CORNELL DBT] note://// indicates par. breaks)[AR SUMMER21]

I’ve benefited enormously from big tech. Prophet, the consulting firm I cofounded in 1992, helped companies navigate a new landscape being reshaped by Google. Red Envelope, the upscale e-commerce company I cofounded in 1997, never would have made it out of the crib if Amazon hadn’t ignited the market’s interest in e-commerce. More recently, L2, which I founded in 2010, was born from the mobile and social waves as companies needed a way to benchmark their performance on new platforms.//// The benefits of big tech have accrued for me on another level as well. In my investment portfolio, the appreciation of Amazon and Apple stock restored economic security to my household after being run over in the Great Recession. Finally, Amazon is now the largest recruiter of students from the brand-strategy and digital-marketing courses I teach at NYU Stern School of Business. These firms have been great partners, clients, investments, and recruiters. And the sum of two decades of experience with, and study of, these companies leads me to a singular conclusion: It’s time to break up big tech. //// Over the past decade, Amazon, Apple, Facebook, and Google—or, as I call them, “the Four”—have aggregated more economic value and influence than nearly any other commercial entity in history. Together, they have a market capitalization of $2.8 trillion (the GDP of France), a staggering 24 percent share of the S&P 500 Top 50, close to the value of every stock traded on the Nasdaq in 2001. //// How big are they? Consider that Amazon, with a market cap of $591 billion, is worth more to the stock market than Walmart, Costco, T. J. Maxx, Target, Ross, Best Buy, Ulta, Kohl’s, Nordstrom, Macy’s, Bed Bath & Beyond, Saks/Lord & Taylor, Dillard’s, JCPenney, and Sears combined. //// Meanwhile, Facebook and Google (now known as Alphabet) are together worth $1.3 trillion. You could merge the world’s top five advertising agencies (WPP, Omnicom, Publicis, IPG, and Dentsu) with five major media companies (Disney, Time Warner, 21st Century Fox, CBS, and Viacom) and still need to add five major communications companies (AT&T, Verizon, Comcast, Charter, and Dish) to get only 90 percent of what Google and Facebook are worth together. //// And what of Apple? With a market cap of nearly $900 billion, Apple is the most valuable public company. Even more remarkable is that the company registers profit margins of 32 percent, closer to luxury brands Hermès (35 percent) and Ferrari (29 percent) than peers in electronics. In 2016, Apple brought in $46 billion in profits, a haul larger than that of any other American company, including JPMorgan Chase, Johnson & Johnson, and Wells Fargo. What’s more, Apple’s profits were greater than the revenues of either Coca- Cola or Facebook. This quarter, it will clock nearly twice the profits that Amazon has produced in its history. ////The Four’s wealth and influence are staggering. How did we get here? //// As I wrote in my book, The Four, the only way to build a company with the dominance and mass influence of Google, Amazon, Facebook, and Apple is to appeal to a core human organ that makes adoption of the platform instinctive. //// GOOGLE: MIND-ALTERING//// Our brains are sophisticated enough to ask very complex questions but not sophisticated enough to answer them. Since Homo sapiens emerged from caves, we’ve relied on prayer to address that gap: We lift our gaze to the heavens, send up a question, and wait for a response from a more intelligent being. “Will my kid be all right?” “Who might attack us?” //// As Western nations become wealthier, organized religion plays a smaller role in our lives. But the void between questions and answers remains, creating an opportunity. As more and more people become alienated from traditional religion, we look to Google as our immediate, all-knowing oracle of answers from trivial to profound. Google is our modern-day god. Google appeals to the brain, offering knowledge to everyone, regardless of background or education level. If you have a smartphone or an Internet connection, your prayers will always be answered: “Will my kid be all right?” “Symptoms and treatment of croup. . .” “Who might attack us?” “Nations with active nuclear-weapons programs . . .” //// Think back on every fear, every hope, every desire you’ve confessed to Google’s search box and then ask yourself: Is there any entity you’ve trusted more with your secrets? Does anybody know you better than Google? //// FACEBOOK: THE HEART OF THE MATTER//// Facebook appeals to the heart. Feeling loved is the key to well-being. Studies of kids in Romanian orphanages who had stunted physical and mental development found that the delay was due not to poor nutrition, as suspected, but to lack of human affection. Yet one of the traits of our species is that we need to love nearly as much as we need to be loved. Susan Pinker, a developmental psychologist, studied the Italian island of Sardinia, where centenarians are six times as common as they are on mainland Italy and ten times as common as in North America. Pinker discovered that among genetic and lifestyle factors, the Sardinians’ emphasis on close personal relationships and face-to-face interactions is the key to their superlongevity. Other studies have also found that the deciding factor in longevity isn’t genetics but lifestyle, especially the strength of our social bonds. //// Facebook gives its 2.1 billion monthly active users tools to fuel our need to love others. It’s satisfying to rediscover someone we went to high school with. It’s good to know we can keep in touch with friends who move away. It takes minutes, with a “like” on a baby pic or a brief comment on a friend’s heartfelt post, to reinforce friendships and family relationships that are important to us. //// AMAZON: ALWAYS CONSUMING//// What sight is to the eyes and sound is to the ears, the feeling of more, of insatiety, is to the gut. We crave more stuff psychologically just as the stomach craves more sugar, more carbs, after an indulgent meal. Originally this instinct operated in the service of self-preservation: Having too little meant starvation and certain death, whereas too much was rare, a bloat or a hangover. But open your closets or your cupboards right now, and you’ll probably find you have ten to a hundred times as much as you need. Rationally, we know this makes no sense, but society and our higher brain haven’t caught up to the instinct of always feeling like we need more. //// Amazon is the large intestine of the consumptive self. It stores nutrients and distributes them to the cardiovascular system of the 64 percent of American households who are Prime members. It has adopted the best strategy in the history of business—“more for less”—and deployed it more effectively and efficiently than any other firm in history. //// APPLE: SET TO VIBRATE//// The second-most-powerful instinct after survival is procreation. As sexual creatures, we want to signal how elegant, smart, and creative we are. We want to signal power. Sex is irrational, luxury is irrational, and Apple learned very early on that it could appeal to our need to be desirable—and in turn increase its profit margins—by placing print ads in Vogue, having supermodels at product launches, and building physical stores as glass temples to the brand. //// A Dell computer may be powerful and fast, but it doesn’t indicate membership in the innovation class as a MacBook Air does. Likewise, the iPhone is something more than a phone, or even a smartphone. Consumers aren’t paying $1,000 for an iPhone X because they’re passionate about facial recognition. They’re signaling they make a good living, appreciate the arts, and have disposable income. It’s a sign to others: If you mate with me, your kids are more likely to survive than if you mate with someone carrying an Android phone. After all, iPhone users on average earn 40 percent more than Android users. Mating with someone who is on the iOS platform is a shorter path to a better life. The brain, the heart, the large intestine, and the groin: By appealing to these four organs, the Four have entrenched their services, products, and operating systems deeply into our psyches. They’ve made us more discerning, more demanding consumers. And what’s good for the consumer is good for society, right? //// Well, yes and no. The Four have so much power over our lives that most of us would be rocked to the core if one or more of them were to disappear. Imagine not being able to have an iPhone, or having to use Yahoo or Bing for search, or losing years’ worth of memories you’ve posted on Facebook. What if you could no longer order something with one click on the Amazon app and have it arrive tomorrow? //// At the same time, we’ve handed over so much of our lives to a few Silicon Valley executives that we’ve started talking about the downsides of these firms. As the Four have become increasingly dominant, a murmur of concern—and even resentment—has begun to make itself heard. After years of hype, we’ve finally begun to consider the suggestion that the government, or someone, ought to put the brakes on. //// Not all of the arguments are equally persuasive, but they’re worth restating before we get to the real reason I believe we ought to break up big tech. ////Big tech learned from the sins of the original gangster, Microsoft. The colossus at times appeared to feel it was above trafficking in PR campaigns and lobbyists to soften its image among the public and regulators. In contrast, the Four promote an image of youth and idealism, coupled with evangelizing the world-saving potential of technology. //// The sentiment is sincere, but mostly canny. By appealing to something loftier than mere profit, the Four are able to satisfy a growing demand among employees for so-called purpose-driven firms. Big tech’s tinkerer- in-the-garage mythology taps into an old American reverence for science and engineering, one that dates back to the Manhattan Project and the Apollo program. Best of all, the companies’ vague, high-minded pronouncements—“Think Different,” “Don’t Be Evil”—provide the ultimate illusion. Political progressives are generally viewed as well-meaning but weak, an image that offered the perfect cover for companies that were becoming hugely powerful. //// Facebook’s Sheryl Sandberg told women to “lean in” because she meant it, but she also had to register the irony of her message of female empowerment, set against a company that emerged from a site originally designed to rank the attractiveness of Harvard undergraduates, much less a firm destroying tens of thousands of jobs in an industry that hires a relatively high number of female employees: media and communications. //// These public-relations efforts paid off handsomely but also set the companies up for a major fall. It’s an enormous letdown to discover that the guy who seems like the perfect gentleman is in fact addicted to opioids and a jerk to his mother. It’s even worse to learn that he only hung out with you because of your money (clicks). //// In my experience as the founder of several early Internet firms, the people who work for the Four are no more or less evil than people at other successful companies. They’re a bit more educated, a little smarter, and much luckier, but like their parents before them, most are just trying to find their way and make a living. Sure, many of them would be happy to help out humanity. But presented with the choice between the betterment of society or a Tesla, most would opt for the Tesla—and the Tesla dealerships in Palo Alto are doing well, really well. Does this make them evil? Of course not. It simply makes them employees at a for-profit firm operating in a capitalist society. //// Our government operates on an annual budget of approximately 21 percent of GDP, money that is used to keep our parks open and our military armed. Does big tech pay its fair share? Most would say no. Between 2007 and 2015, Amazon paid only 13 percent of its profits in taxes, Apple paid 17 percent, Google paid 16 percent, and Facebook paid just 4 percent. In contrast, the average tax rate for the S&P 500 was 27 percent. //// So, yes, the Four do avoid taxes . . . and so do you. They’re just better at it. Apple, for example, uses an accounting trick to move its profits to domains such as Ireland, which results in lower taxes for the most profitable firm in the world. As of September 2017, the company was holding $250 billion overseas, a hoard that is barely taxed and should never have been abroad in the first place. That means a U. S. company is holding enough cash overseas to buy Disney and Netflix. //// Apple is hardly alone. General Electric also engages in massive tax avoidance, but we’re not as angry about it, as we aren’t in love with GE. The fault here lies with us, and with our democratically elected government. We need to simplify the tax code—complex rules tend to favor those who can afford to take advantage of them—and we need to elect officials who will enforce it. ////The destruction of jobs by the Four is significant, even frightening. Facebook and Google likely added $29 billion in revenue in 2017. To execute and service this additional business, they will create twenty thousand new, high-paying jobs. //// The other side of the coin is less shiny. Advertising—whether digital or analog—is a low-growth (increasingly flat) business, meaning that the sector is largely zero-sum. Google doesn’t earn an extra dollar by growing the market; it takes a dollar from another firm. If we use the five largest media-services firms (WPP, Omnicom, Publicis, IPG, and Dentsu) as a proxy for their industry, we can estimate that $29 billion in revenue would have required about 219,000 traditional advertising professionals to service. That translates to 199,000 creative directors, copywriters, and agency executives deciding to “spend more time with their families” each year—nearly four Yankee Stadiums filled with people dressed in black holding pink slips. ////The economic success stories of yesterday employed many more people than the firms that dominate the headlines today. Procter & Gamble, after a run-up in its stock price in 2017, has a market capitalization of $233 billion and employs ninety-five thousand people, or $2.4 million per employee. Intel, a new-economy firm that could be more efficient with its capital, enjoys a market cap of $209 billion and employs 102,000 people, or $2.1 million per employee. Meanwhile, Facebook, which was founded fourteen years ago, boasts a $542 billion market cap and employs only twenty-three thousand people, or $23.4 million per employee—ten times that of P&G and Intel. //// Granted, we’ve seen job destruction before. But we’ve never seen companies quite this good at it. Uber set a new (low) bar with $68 billion spread across only twelve thousand employees, or $5.7 million per employee. It’s hardly obvious that a ride-share company—which requires actual drivers on the actual roads—would be the one to arbitrage the middle class with a Houdini move that would have Henry Ford spinning in his grave. //// But Uber managed it by creating a two-class workforce, complete with a new classification: “driver-partners,” in other words, contractors. Keeping them off the payroll means that Uber’s investors and twelve thousand white-collar employees do not share any of the company’s $68 billion in equity with its “partners.” In addition, the firm is not inconvenienced with paying health or unemployment insurance and paid time off for any of its two-million-strong driver workforce. ////Big tech’s job destruction makes an even stronger case for getting these firms to pay their fair share of taxes, so that the government can soften the blow with retraining and social services. We should be careful, however, not to let job destruction be the lone catalyst for intervention. Job replacement and productivity improvements—from farmers to factory workers, and factory workers to service workers, and service workers to tech workers—are part of the story of American innovation. It’s important to let our freaks of success fly their flag. //// Getting warmer. Having your firm weaponized by foreign adversaries to undermine our democratic election process is bad . . . really bad. During the 2016 election, Russian troll pages on Facebook paid to promote approximately three thousand political ads. Fabricated content reached 126 million users. It doesn’t stop there—the GRU, the Russian military-intelligence agency, has lately taken a more bipartisan approach to sowing chaos. Even after the election, the GRU has used Facebook, Google, and Twitter to foment racially motivated violence. The platforms invested little or no money or effort to prevent it. The GRU purchased Facebook ads in rubles: literally and figuratively a red flag. //// If you’re a country club with a beach or a pool, it’s more profitable, in the short run, not to have lifeguards. There are risks to that business model, as there are to Facebook’s dependence on mainly algorithmic moderation, but it saves a lot of money. The notion that we can expect big tech to allocate the requisite resources, of the companies’ own will, for the social good is similar to the idea that Exxon will take a leadership position on global warming. It’s not going to happen. //// However, the alarm for trust busting, not just regulation, rang for me in November, when Senate Intelligence Committee chairman Richard Burr pleaded with the general counsels of Facebook, Google, and Twitter, “Don’t let nation-states disrupt our future. You’re the front line of defense for it.” This represented a seminal moment in our history, when our elected officials handed over our national defense to firms whose business model is to nag you about the shoes you almost bought, and remind you of your friends’ birthdays. ////They should be our front line against our enemies? //// Let’s be clear, our front line of defense has been, and must continue to be, the Army, Navy, Air Force, and Marines. Not the Zuck. //// It’s not just federal officials who have folded in the face of big tech. As part of their bid for Amazon’s second headquarters, state and city officials in Chicago proposed to let Amazon keep $1.3 billion in employee payroll taxes and spend this money as the company sees fit. That’s right: Chicago offered to transfer its tax authority to Amazon and trusts the Seattle firm to allocate taxes in a manner best for Chicago’s residents. //// The surrender of our government only gets worse from there. If you want to manufacture and sell a Popsicle to children, you must undergo numerous expensive FDA tests and provide thorough labeling that outlines the ingredients, calories, and sugar content of the treat. But what warning labels are included in Instagram’s user agreement? We’ve now seen abundant research indicating that social- media platforms are making teens more depressed. Ask yourself: If ice cream were making teens more prone to suicide, would we shrug and seat the CEO of Dreyer’s next to the president at dinners in Silicon Valley? ////

#### Right wing voices have far more impact on platforms like Facebook

**Thompson 20** [Alex Thompson is a White House correspondent and co-author of West Wing Playbook. He is currently working on a book about the Biden administration to be published by Simon & Schuster in early 2024., 9-26-2020, "Why the right wing has a massive advantage on Facebook," POLITICO, <https://www.politico.com/news/2020/09/26/facebook-conservatives-2020-421146>] [RL 21] [//indicates pargraph breaks]

Throughout 2020, Democrats have denounced Facebook with growing ferocity as a "right wing echo chamber" with a “conservative bias” that’s giving an edge to Donald Trump in November. // But Facebook says there's a reason why right-wing figures are driving more engagement. It's not that its algorithm favors conservatives — the company has long maintained that its platform is neutral. Instead, the right is better at connecting with people on a visceral level, the company says. // “Right-wing populism is always more engaging," a Facebook executive said in a recent interview with POLITICO reporters, when pressed why the pages of conservatives drive such high interactions. The person said the content speaks to "an incredibly strong, primitive emotion" by touching on such topics as "nation, protection, the other, anger, fear." // "That was there in the [19]30's. That's not invented by social media — you just see those reflexes mirrored in social media, they’re not created by social media," the executive added. "It's why tabloids do better than the [Financial Times], and it's also a human thing. People respond to engaging emotion much more than they do to, you know, dry coverage. ...This wasn't invented 15 years ago when Mark Zuckerberg started Facebook."// In the final stretch of the 2020 campaign, the Facebook posts with the most engagement in the United States most days — measured by likes, comments, shares and reactions — are from conservative voices outside the mainstream media: Dan Bongino, Ben Shapiro, David Harris, Jr., Franklin Graham and “Blue Lives Matter,” according to the Facebook-owned tool Crowdtangle. Trump’s personal page also regularly makes the top of the list, in effect allowing him to become a publisher in his own right and navigate around the traditional media. // Left-wing posts make the daily top-25 much less frequently. Former Labor Secretary Robert Reich and the Facebook savvy Occupy Democrats are among the pages that occasionally hit such levels of engagement. // The growth of right-wing content on the platform has enraged liberals, who accuse the social media giant of kowtowing to the right out of fear of being painted as biased toward the left. It has also ratcheted up the brawl between the left and the right over the social network weeks before the election, as both parties try to influence the platform’s policies. // After Trump effectively leveraged Facebook in 2016 to help make up for a significant cash disadvantage, it has become a pivotal theater in the electoral war. Trump and Biden have spent over $173 million for ads on the platform so far and are expected to spend tens of millions more, according to the company’s political ad tracker (Trump over $109 million and Biden over $64 million). // But ads are only one battleground. Both parties are fighting for high engagement in organic content, which is much more widely seen. Essentially, it's the difference between "earned media" — or coverage of the candidates by news outlets — and paid TV ads. // This focus on organic posts is why the success of Bongino and Shapiro has caused so much frustration on the left, along with accusations that Facebook has a conservative bias. // The liberal group Media Matters, which is mostly known for tracking conservative TV and radio, now monitors 5,250 Facebook pages and groups that they’ve determined are either influential or of concern, according to spokesperson Laura Keiter. "There’s something [at Facebook] that reflexively or intentionally is mollifying the right wing," said Angelo Carusone, president of Media Matters. // Adam Conner, who worked for Facebook in Washington from 2007 to 2014 and is now vice president of Tech Policy at the liberal Center for American Progress Action, told POLITICO that “it’s absurd for Facebook to say this is just something that’s playing out in a neutral way. This feels like an abdication of responsibility." He added that “Facebook is not a mirror — the newsfeed algorithm is an accelerant.” // The Biden campaign also blasted Facebook for arguing that the right-wing’s success on the platform simply reflects society. // "Facebook's platform is a mirror alright — a fun house mirror,” campaign spokesperson Bill Russo said. “One that has twisted and distorted our world and our politics into something barely recognizable, where conspiracy theories and disinformation run rampant. This is not a feature of our society that we must simply accept. It is a choice to create an algorithm that feeds the distrust and polarization that are tearing us apart." // Republicans have been just as critical of Facebook in the run-up to the election. This week, Trump spoke alongside nine state attorneys general and said the government is reviewing “concrete legal steps” against social media sites for limiting the reach of conservatives “at the urging of the radical left.” // Facebook says the most engaged content isn't necessarily the most viewed — political fare, the company maintains, is actually a small percentage of what people see on the platform. Users’ newsfeeds are filled with more nonpartisan, pop culture content than the engagement list suggests, according to the company’s head of newsfeed, John Hegeman. // Facebook does not provide data on which articles and posts achieve the most reach but says it is trying to find a way to make that information publicly available. // The Facebook executive argued that frustration on the left on how to counter right-wing populism is another instance of social media reflecting an existing dynamic, rather than creating it. // “If you're a far-left partisan then why can't you fight fire with fire?” the executive said. “That debate among progressives — [and] I count myself as a center-left progressive — is as old as the hills. All center-left campaigners and politicians always ask themselves, ‘Why can't [we] seem to rile their supporters as much as right-wing populists have?’” // Some conservatives also argue that they invested in the platform early on as a workaround to the left-leaning mainstream news media. // “What’s really going on here is obvious to anyone paying attention: The mainstream media wants to censor content from other sources in an attempt to reestablish the control of the news narrative they lost when the internet broke up their monopoly,” John Bickley, editor in chief of the conservative site The Daily Wire, wrote Thursday. The Daily Wire was the top news publisher on all of Facebook in July and August this year when measured by engagement, according to NewsWhip. // In an email to POLITICO, Bickley added: “It also makes sense to me that social media users would engage more with content that has a clearer perspective or stronger take on stories — and particularly those that push back on predominant narratives with glaring flaws.” Ben Shapiro, founding editor in chief of The Daily Wire, has logged over 175 million engagements on his Facebook page since June 21 compared with just 27 million for The New York Times’ Facebook page, per CrowdTangle.

#### B) Creates soapboxes for far-right extremism.

HATCH 2021 (Arisha, Vice President and Chief of Campaigns at Color of Change, “Big Tech companies cannot be trusted to self-regulate: We need Congress to act”, Tech Crunch, March 12, <https://techcrunch.com/2021/03/12/big-tech-companies-cannot-be-trusted-to-self-regulate-we-need-congress-to-act/>, [CORNELL DBT] note://// indicates par. breaks)[AR SUMMER21]

It’s been two months since Donald Trump was kicked off of social media following the violent insurrection on Capitol Hill in January. While the constant barrage of hate-fueled commentary and disinformation from the former president has come to a halt, we must stay vigilant. //// Now is the time to think about how to prevent Trump, his allies and other bad actors from fomenting extremism in the future. It’s time to figure out how we as a society address the misinformation, conspiracy theories and lies that threaten our democracy by destroying our information infrastructure. //// As vice president at [Color Of Change](https://colorofchange.org/), my team and I have had countless meetings with leaders of multi-billion-dollar tech companies like Facebook, Twitter and Google, where we had to consistently flag hateful, racist content and disinformation on their platforms. We’ve also raised demands supported by millions of our members to adequately address these systemic issues — calls that are too often met with a lack of urgency and sense of responsibility to keep users and Black communities safe. //// The violent insurrection by white nationalists and far-right extremists in our nation’s capital was absolutely fueled and enabled by tech companies who had years to address hate speech and disinformation that proliferated on their social media platforms. Many social media companies relinquished their platforms to far-right extremists, white supremacists and domestic terrorists long ago, and it will take more than an attempted coup to hold them fully accountable for their complicity in the erosion of our democracy — and to ensure it can’t happen again. ////To restore our systems of knowledge-sharing and eliminate white nationalist organizing online, Big Tech must move beyond its typical reactive and shallow approach to addressing the harm they cause to our communities and our democracy. But it’s more clear than ever that the federal government must step in to ensure tech giants act. //// After six years leading corporate accountability campaigns and engaging with Big Tech leaders, I can definitively say it’s evident that social media companies do have the power, resources and tools to enforce policies that protect our democracy and our communities. However, leaders at these tech giants have demonstrated time and time again that they will choose not to implement and enforce adequate measures to stem the dangerous misinformation, targeted hate and white nationalist organizing on their platforms if it means sacrificing maximum profit and growth. //// And they use their massive PR teams to create an illusion that they’re sufficiently addressing these issues. For example, social media companies like Facebook continue to follow a reactive formula of announcing disparate policy changes in response to whatever public relations disaster they’re fending off at the moment. Before the insurrection, the company’s leaders failed to heed the warnings of advocates like Color Of Change about the dangers of white supremacists, far-right conspiracists and racist militias using their platforms to organize, recruit and incite violence. They did not ban Trump, implement stronger content moderation policies or change algorithms to stop the spread of misinformation-superspreader Facebook groups — as we had been recommending for years. //// [These](https://www.vox.com/recode/2020/8/28/21406022/facebook-banned-violent-militia-groups-kenosha-protests-jacob-blake-shooting-kyle-rittenhouse) threats were apparent long before the attack on Capitol Hill. They were obvious as Color Of Change and our allies propelled the [#StopHateForProfit](https://www.stophateforprofit.org/) campaign last summer, when over 1,000 advertisers pulled millions in ad revenues from the platform. They were obvious when Facebook finally agreed to conduct a civil rights audit in 2018 after pressure from our organization and our members. They were obvious even before the deadly white nationalist demonstration in Charlottesville in 2017. //// Only after significant damage had already been done did social media companies take action and concede to some of our most pressing demands, including the call to ban Trump’s accounts, implement disclaimers on voter fraud claims, and move aggressively remove COVID misinformation as well as posts inciting violence at the polls amid the 2020 election. But even now, these companies continue to shirk full responsibility by, for example, using self-created entities like the Facebook Oversight Board — an illegitimate substitute for adequate policy enforcement — as PR cover while the fate of recent decisions, such as the suspension of Trump’s account, hang in the balance. //// Facebook, Twitter, YouTube and many other Big Tech companies kick into action when their profits, self-interests and reputation are threatened, but always after the damage has been done because their business models are built solely around maximizing engagement. The more polarized content is, the more engagement it gets; the more comments it elicits or times it’s shared, the more of our attention they command and can sell to advertisers. Big Tech leaders have demonstrated they neither have the willpower nor the ability to proactively and successfully self-regulate, and that’s why Congress must immediately intervene. //// Congress should enact and enforce federal regulations to reign in the outsized power of Big Tech behemoths, and our lawmakers must create policies that translate to real-life changes in our everyday lives — policies that protect Black and other marginalized communities both online and offline. //// We need stronger antitrust enforcement laws to break up big tech monopolies that evade corporate accountability and impact Black businesses and workers; comprehensive privacy and algorithmic discrimination legislation to ensure that profits from our data aren’t being used to fuel our exploitation; expanded broadband access to close the digital divide for Black and low-income communities; restored net neutrality so that internet services providers can’t charge differently based on content or equipment; and disinformation and content moderation by making it clear that Section 230 does not exempt platforms from complying with civil rights laws. //// We’ve already seen some progress following pressure from activists and advocacy groups including Color Of Change. Last year alone, Big Tech companies like Zoom [hired](https://colorofchange.org/press_release/following-talks-with-color-of-change-zoom-hires-chief-diversity-officer/) chief diversity experts; [Google took action](https://www.thewrap.com/proud-boys-website-online-store-dropped-by-web-host/) to block the Proud Boys website and online store; and major social media platforms like TikTok adopted better, stronger policies on banning hateful content. //// But we’re not going to applaud billion-dollar tech companies for doing what they should and could have already done to address the years of misinformation, hate and violence fueled by social media platforms. We’re not going to wait for the next PR stunt or blanket statement to come out or until Facebook decides whether or not to reinstate Trump’s accounts — and we’re not going to stand idly by until more lives are lost.//// The federal government and regulatory powers [need to hold Big Tech accountable](https://act.colorofchange.org/sign/break-up-big-tech-now/) to their commitments by immediately enacting policy change. Our nation’s leaders have a responsibility to protect us from the harms Big Tech is enabling on our democracy and our communities — to regulate social media platforms and change the dangerous incentives in the digital economy. Without federal intervention, tech companies are on pace to repeat history.

C) Replaces functions of elected government, free press, and open commerce

**Sussman and Stoller 20** [Shaoul Sussman is a Legal Fellow at the Institute for Local Self-Reliance. Matt Stoller is the Director of Research for the American Economic Liberties Project and the author of Goliath: The Hundred Year War Between Monopoly Power and Democracy. 7/28/20 <https://www.politico.com/news/agenda/2020/07/28/agenda-amazon-facebook-google-apple-hearing-383612>] [RL 21] [//indicates pargraph breaks]

On Wednesday, four big tech CEOs — Apple’s Tim Cook, Amazon’s Jeff Bezos, Google’s Sundar Pichai and Facebook’s Mark Zuckerberg — will come face to face with Congress, in a hearing held by Antitrust Subcommittee Chair David Cicilline. The hearing is one result of a yearlong investigation by Cicilline’s subcommittee into whether these four companies regulate more of the U.S. economy than our public officials do. // For some, this hearing may seem like a series of technical questions about market power, and for others, a mere congressional spectacle. But the stakes are high. This hearing is part of the only major investigation into corporate power by any Congress in recent memory. How this hearing goes, and whether Congress over the next few years develops the confidence to break up and regulate these giants, will in many ways determine whether America remains a self-governing democracy. // That might seem like hyperbole, but it’s not. Until now, the harms of these giants were hidden from the public because they offer free or low-cost services to consumers. But low prices mask a deep threat to our society, starting with an invasive surveillance architecture that has concentrated ad revenue and threatens free expression itself. Two thirds of American counties have no daily newspaper, largely because Google and Facebook have diverted revenue from the free press to themselves. In addition, these entities propagate misinformation, harm mental health and promote racial discrimination, with virtually no accountability. Even a giant ad boycott by a host of corporations opposed to Facebook’s hate speech policies drew a response fit for a monopolist: “My guess is that all these advertisers will be back on the platform soon enough,” said Zuckerberg. That’s power. // Amazon, meanwhile, has built powers that rival, or exceed, those of the government. In 2004, Jeff Bezos privately told Amazon executives that he wanted to “draw a moat” around the company's customers. The analogy was clear: Amazon would control access to those customers, becoming the only bridge for hundreds and thousands of other companies to reach those consumers. // And 16 years later, it’s clear that Bezos fulfilled his goal to transform his company into the bridge through which American e-commerce flows, reaping profits from the tolls the Seattle-based goliath imposes on the steady stream of goods. As of 2020, there are more than 118 million Prime subscribers domestically, versus 129 million total households in America. Bezos was so successful in digging his moat that it now surrounds virtually the entire nation, and the rules it sets for that commerce affects much of the rest of the consumer economy. As Harvard Law professor Rebecca Tushnet has noted, “Amazon, with its size, now substitutes for government in a lot of what it does.” // The harms here are real. America has lost over a hundred thousand local, independent retail businesses, a drop of 40 percent from 2000 to 2015, largely due to Amazon. And this is not good for consumers; Amazon allows thousands of counterfeit and unsafe products on its marketplace, because it doesn’t have the same liability for products that normal retailers do. Because of its surveillance over its Marketplace, Amazon copies the design of successful products, which destroys the incentive to innovate. // In other words, these four corporations command bridges over which our news, entertainment, goods and services now flow, serving as the digital infrastructure of swaths of the American economy. These dominant platforms, whose market capitalization surpasses the gross domestic product of many large nations, function as the quasi-governmental gatekeepers of America’s commerce and communications. In fact, Mark Zuckerberg once made this point explicitly: “In a lot of ways, Facebook is more like a government than a traditional company." // Monopolies are Un-American // Technology corporations like to position themselves as the arbiters of the future, but to understand why this hearing matters, it’s important to revisit a long-lost history of American battles against monopoly power. Most Americans, including our leaders, do not know that monopolies, in particular companies that draw a moat between the people and the marketplace, have always, until the past few decades, been seen as deeply un-American. // The first anti-monopoly statute was passed in the colony of Massachusetts in 1641 and its language could not ring any clearer: “There shall be no monopolies granted or allowed amongst us,” with the only exception made for patented inventions, and even then “for a short time.” // A monopoly set off the American Revolution, as Americans threw the tea trafficked by the tea monopolist, the East India Co., into Boston harbor. Throughout the 19th century, judges and legislators dripped scorn on monopolists. In 1829, the chief justice of the Supreme Court of Massachusetts, in striking down the illegal monopoly of the proprietors of a bridge that suffocated Boston’s commerce, noted that the original settlers “came to this country with a hatred of monopolies, and they ordered, not that no monopoly should be granted, but that none should be allowed.” // In the following centuries, Americans articulated the tension between monopoly rule and democracy with resounding clarity. “Monopoly, whether of wealth, power, business, or what not,” summarized the Ohio Supreme Court in condemning AT&T’s telephone monopoly of the 1920s, “has always been most odious and reprehensible to our American people and their democratic institutions.” If the people want such monopolies, the court wrote, the people should set the terms and conditions through legislation. // And legislatures acted, quite frequently. In the industrial age, Congress passed federal antitrust laws in 1890, 1913, 1936, and 1950. It launched major investigations of corporate power four times in the 20th century. Rep. Emanuel Celler, who ran one of these investigations in the very same committee chaired by Cicilline, made the case in 1950 for freedom in business as a bulwark of democracy, using his perch to examine monopoly power in steel, ticketing, newsprint, aluminum and baseball. // Because Americans and their leaders understood the importance of access to the marketplace, they intuitively recognized that democracy requires eliminating concentrations of power. Congress broke up railroads, banks, aerospace companies, and prevented automobile and telephone giants from invading into adjacent markets. Congress used to regulate our markets, and in doing so, Congress governed. // Citizens Became Consumers // So what happened? How is it that four corporations can now command such heights? In the 1970s, American elites adopted a new philosophy of governance. Two movements, the law and economics school from the University of Chicago on the right, and the consumer rights movement on the left, preached that legislative control of markets was corrupt. Americans were no longer citizens but consumers, and monopolies, according to luminaries such as Milton Friedman and Robert Bork, could serve consumers well. Fear not corporate power, fear merely Big Government. And let the expert economists make decisions about markets, not the rabble. // By 1998, this philosophy was so inculcated in our governing elites that Larry Summers linked American global primacy not to ideals of freedom, but to corporate and institutional dominance, noting that “whether it is AIG in insurance, McDonald's in fast food, Walmart in retailing, Microsoft in software, Harvard University in education, CNN in television news—the leading enterprises are American." Similarly, Senator Dianne Feinstein, in 2010, upon voting against a measure to break up large banks, said to a colleague, “This is still America, right?” We had forgotten so much about who we are that American leaders did not recognize in their own tradition the importance of public control over markets. // Steeped in this confused anti-American ideology favorable to monopoly, the Clinton, Bush, and Obama administrations did not use merger laws, and Congress did not regulate data or online commerce, so Silicon Valley grew to gargantuan proportions. In other words, Jeff Bezos and his fellow CEOs aren’t powerful sovereign-like entities because they are brilliant, as their boosters would say, or dastardly, as some of their opponents would offer. America has had its share of heroes and miscreants, yet since the Gilded Age few came close to their level of economic dominance. They are governing us, because we the people have refused to do so through our public institutions. These men have merely stepped into the breach, filling up the void. // There are many complicated technical questions about how to get rid of Amazon’s moat, or that of the other three tech goliaths. But the political problem is simpler. To restore democracy, or rule by the many, in the commercial sphere, means to reassert the role of elected representatives. As Chair Cicilline and the members of the Antitrust Subcommittee demand answers from the CEOs of these tech giants, they are beginning to fill the gap that our last several generations of leaders have left. // If they fill it well, they will be reasserting a tradition that is 400 years old, and yet, surprisingly modern.

#### U.S. democratic backsliding risks empowering authoritarian regimes – risks global conflict

DIAMOND senior fellow @ Hoover Inst., founding coeditor of Journal of Democracy 2019 (Larry, senior fellow at the Hoover Institution and at the Freeman Spogli Institute for International Studies. For more than six years, he directed FSI’s Center on Democracy, Development, and the Rule of Law, where he now leads its Program on Arab Reform and Democracy and its Global Digital Policy Incubator. He is the founding coeditor of the Journal of Democracy and also serves as senior consultant at the International Forum for Democratic Studies of the National Endowment for Democracy., *Ill Winds: Saving Democracy From Russian Rage, Chinese Ambition, And American Complacency*, (Penguin Press), p. 285 [CORNELL DBT] note://// indicates par. breaks) [AR WAKE19]

In Frank Capra's 1946 movie It's a Wondeiful Life, the uncle of a generous banker named George Bailey innocently misplaces a large deposit, which will let a greedy rival take over the bank and the entire town. Despondent, George (played by Jimmy Stewart) prepares to jump from the town bridge on Christmas Eve. At the last moment, a guardian angel intervenes and shows George all the good deeds that would never have been performed if not for him. "You've been given a great gift, George," the angel says. "A chance to see what the world would be like without you." //// If there is a silver lining to the disaster that has been Donald Trump's presidency, it is this: as Trump has insulted our closest democratic allies, undermined NATO, and encouraged the breakup of the European Union; as he has pulled the United States out of the global climate accord, the Iranian nuclear deal, and the Trans-Pacific Partnership; as he has started gratuitous trade wars with friends and foes alike; as he has excused and befriended Vladimir Putin and a grim list of other brutal dictators; as he has made common cause with nativist bigots abroad and at home; as he has revived the old, nasty, and specious slogan "America first"; and as he has shaken every moral and strategic pillar of the postWorld War II liberal order, we are all being given a glimpse into the possible future: a chance to see what the world would look like without American leadership and steadfastness. //// For democrats everywhere, this is a frightening prospect. But for the belligerent autocrats in China and Russia, it is a gift: a startling, almost too-good-to-be-true opportunity to bring down the global architecture of norms and alliances that has kept the peace in Europe and the Pacific for nearly three quarters of a century-and enabled an unprecedented expansion of democracy and freedom. //// The global crisis of democracy has been long in coming. It did not start with Donald Trump, and it will not end when he leaves the White House. Yet American moral and geopolitical leadership--our defense of democratic norms, our assistance to democratic governments and movements, our support for freer trade and broader economic development, and our willingness to deter aggression and denounce oppression-has enabled waves of democratic expansion to roll forward across the world. //// To be sure, the United States has often been inconsistent and imperfect in its foreign policy. But over more than a century, it has also been what former secretary of state Madeleine Albright rightly called "the indispensable nation" for democracy-indispensable in advancing human rights, indispensable in stirring democratic hopes, indispensable in building the international institutions and alliances that have enabled freedom to thrive. //// Ideals matter in world politics, but so does power-and the United States, for all its flaws and blunders, has been the rare great power to fuse both might and right to create space for the expansion of democracy. Since the end of World War II, a strong, steadfast American presence has kept the democracies of Europe and the more pluralistic states of Asia from throwing in their lot with the Soviet Union, Maoist China, and their successor dictatorships. Take away American power, presence, and principles, and most Asian states would jump on the bandwagon of the emerging Chinese imperium in Asia. Remove America as the bonding cement of NATO and a counterweight to Russia's ambitions in former Soviet states like Ukraine and Georgia, and it will doom hopes for freedom throughout the former USSR-probably even in the Baltic states-and cast a long, dark shadow over the remaining democracies of Central and Eastern Europe. The European Union might not survive such a U.S. retreat, and if the EU did, it would feel intense pressure to reconcile with a resurgent Russian empire. The world without us would be a far more frightening and dangerous place, with muscular, corrupt dictatorships dominating large swaths of the globe through both blatant coercion and covert subversion. //// To borrow a phrase from Bill Clinton, the power of our example has mattered more than the example of our power.2 The assistance we have provided and the example we have shown have helped inspire and support democratic change in Latin America, Africa, and even-after a long, sordid period of unquestioning U.S. support for Arab dictatorships the Middle East. We have often erred and failed to live up to our best traditions. But on balance, American ideals, broadcasts, grants, and diplomacy have pressured autocracies to change, warned them not to resort to devastating repression, and opened up space for people around the world to claim their own inalienable rights. Take all of that away, and it is not clear when-or if-the transitions to democracy would have occurred in such places as Argentina, Brazil, and Chile; South Korea, Taiwan, and the Philippines; South Africa, Ghana, and Tunisia; and all the countries once locked behind the Iron Curtain. //// Until recently, American power and principle have helped enable many societies to make peaceful transitions to democracy. American resolve has kept the ill winds of Russian rage, Chinese ambition, and populist authoritarianism from reaching hurricane force. But today, another gale is raging: that of America's own political decay, rooted in cynical politicians,

#### Domestic terror risks nuclear strikes on the U.S.

**Sarkar 21** [Jayita Sarkar is assistant professor of international relations at Boston University’s Frederick S. Pardee School of Global Studies. January 27, 2021 Washington Post, <https://www.washingtonpost.com/outlook/2021/01/27/its-time-take-domestic-nuclear-terrorism-seriously/>] [RL 21] [//indicates pargraph breaks]

How can the new Biden administration address the threat of domestic terrorism, most vividly illustrated by the attempted insurrection at the U.S. Capitol on Jan. 6? Last week, 20,000 members of the National Guard were deployed for the inauguration to protect the new administration from far-right extremist violence, but a more serious threat looms. Nuclear and radiological terrorism has prominently appeared in “apocalyptically minded” white-supremacist ideology for decades. // The policy community perceives the threat of nuclear terrorism as almost uniquely emanating from outside of U.S. borders, specifically from Islamist terrorism networks such as the Islamic State, al-Qaeda and their splinter groups. But in fact, U.S. far-right extremist groups have a history of attempted procurement of nuclear weapons and radiological materials to use against the federal government. Members of neo-Nazi groups such as Atomwaffen Division, which literally means “atomic weapons” in German, and the National Socialist Movement have attempted in the past to access nuclear materials with the intent to cause harm. // Fears of nuclear terrorism among U.S. policymakers go back at least to the 1970s, when armed insurgencies intensified in the Middle East. The 1972 Munich massacre by the Palestinian group Black September and the 1973 oil price shock that suddenly empowered petroleum-exporting countries fueled concerns of a violent, non-White, Muslim world. India’s 1974 nuclear explosion, Pakistan’s nuclear weapons acquisition in response and new nuclear energy programs funded by petrodollars in Iran, Libya, Iraq and elsewhere further fanned fears of nuclear materials falling into “rogue” hands. In 1979, as the Iran hostage crisis played out on national television for over a year, the idea of radical Islam as a security threat became entrenched in U.S. political culture. // But nuclear terrorism was also a domestic threat in the 1970s. Nuclear power was expected to grow that decade, and a large amount of plutonium (a radioactive material used in nuclear weapon design) was feared to be widely available. By the end of the decade, white-power activists, many of whom were Vietnam War veterans hardened by military training, had organized for a violent armed struggle of “leaderless resistance” against the federal government. To them, the government was the source of unacceptable societal change that hurt White Christian Americans. // In 1978, William Pierce, the founder of the neo-Nazi group National Alliance, published the novel “The Turner Diaries” under the pseudonym Andrew Macdonald. It sold over 500,000 copies worldwide and remains highly popular among white supremacists. // In the novel, right-wing extremists invade the Capitol to overthrow the U.S. government. Its narrator, Earl Turner, gloats that “not one of them is beyond our reach.” Dubbed by the FBI as the “bible of the racist right,” the novel depicts 18 nuclear explosions in Manhattan alone and the destruction by nuclear weapons of Baltimore, Miami, the California coast and Detroit. It also provides plans to deliberately contaminate with radioactive materials a nuclear power plant in Evanston, Ill. The novel ends with Turner detonating a nuclear bomb over the Pentagon. He justifies the nuclear explosions and sabotage against non-White populations and “race criminals” (liberal Whites) in the name of establishing white supremacy in the United States and worldwide. // “The Turner Diaries” has inspired racially motivated armed robberies and more than 200 killings in the United States. It greatly influenced Timothy McVeigh, the Oklahoma City bomber, who perpetrated the deadliest domestic terrorist attack on U.S. soil that killed 168 people in April 1995. // The book has received renewed attention after the attack on the Capitol. Amazon has prevented its sale, and major news outlets have reported on its influence over far-right and white-supremacist groups. The analogies are chilling. // The violent white-supremacist ideology that calls for nuclear and radiological attacks against non-White populations has spread outside the United States. // Norwegian far-right terrorist Anders Behring Breivik, who killed 77 people in July 2011, had called for the use of chemical, biological, radiological and nuclear agents against “cultural Marxists,” “multiculturalists” and those responsible for the Islamic “colonization” of Europe. In his 1500-page manifesto, he laid out plans for theft or unauthorized access to nuclear weapons and the procurement of nuclear materials through transnational smuggling networks. Breivik recommended the use of radiological agents and nuclear weapons after Jan. 1, 2020 — his deadline for Muslims in Europe to “assimilate.” Given the leaderless transnational networks of white supremacists, the call for nuclear and radiological attacks in Breivik’s manifesto as well as “The Turner Diaries” poses grave concerns. // Policy experts reassure us that if taken seriously as a threat, nuclear terrorism is both preventable and solvable. That violent white supremacists can easily infiltrate the police, the military and nuclear facilities make them an extremely serious and hard-to-detect national security risk. The involvement in the Capitol attack of the Oath Keepers, a far-right anti-government group that recruits former U.S. military and law enforcement personnel, demonstrates the extent of this threat. Screening far-right extremists within government institutions at local, state and federal levels needs to be a priority for the Biden administration.

#### Plan solves…breaking up big tech can restore democracy. Congress must act

MITCHELL & DEL FIACCO institute for local self-reliance 2020 (Stacy, co-director; and Jess, communications manager, “Amazon Is a Private Government. Congress Needs to Step UpAug 10https://www.theatlantic.com/ideas/archive/2020/08/americans-can-barely-imagine-congress-works/615091/, [CORNELL DBT] note://// indicates par. breaks)[AR SUMMER21]

At a hearing of the House’s antitrust subcommittee recently, Amazon founder Jeff Bezos seemed rattled to discover that his appearance was not a public-relations exercise but a deposition. //// Bezos, who devoted much of his five-minute opening statement to talking about his childhood, appeared unprepared to field questions about his sprawling empire, which dominates online retail in the United States, controls the backbone for much of the web through its cloud-computing division, and has lately built a parcel-delivery operation that rivals UPS and the U.S. Postal Service. Remarkably, Bezos had [never before](https://www.wsj.com/articles/amazon-ceo-jeff-bezos-faces-rare-test-in-first-testimony-before-congress-11595849055) testified in front of Congress. As pointed questions came at him from both sides of the aisle, he hesitated and stammered through many of his answers, and said—implausibly—that he didn’t know or couldn’t recall the details behind several of Amazon’s strategic decisions and core functions. On occasions when he did venture more of a response, he [made incriminating admissions](https://www.vox.com/recode/2020/7/29/21346584/jeff-bezos-amazon-antitrust-hearing-congressional-testimony-power-to-make-or-break-small-merchants) about specific tactics his company uses to snuff out competitors. ////The hearing was one of the final steps in the subcommittee’s bipartisan, yearlong probe into whether Amazon and three other tech companies—Apple, Facebook, and Google—are abusing their market power to thwart competition and entrench their own dominance, and if so, what Congress should do about it. The committee is expected to release its report in early September, and it could well be damning. The report [may call](https://www.axios.com/congress-next-moves-to-rein-in-big-tech-0a100a3c-1137-4a10-883c-f82f669c0e89.html) for regulating the tech giants’ behavior, splitting them up into smaller companies, or both. //// Despite all of this, Amazon’s share price barely budged after the hearing, suggesting that Wall Street harbors little fear that anything will come of the investigation. The very next day, Amazon announced [record profits](https://www.npr.org/sections/coronavirus-live-updates/2020/07/30/897271729/amazon-doubles-profit-to-5-8-billion-as-online-shopping-spikes). During a quarter in which the overall economy shrank by a staggering [32 percent](https://www.npr.org/sections/coronavirus-live-updates/2020/07/30/896714437/3-months-of-hell-u-s-economys-worst-quarter-ever) amid a cascade of business failures, Amazon’s blockbuster earnings provided still more evidence that its grip on e-commerce is tightening. Seeing no end to the monopoly gravy train, investors sent Amazon’s share price soaring. By the end of the week, the discussion in tech-policy circles had moved on to whether President Donald Trump had the power to ban the Chinese-owned app TikTok. //// These developments illustrate the challenges facing lawmakers who want to rein in the U.S.-based tech titans. Even if they can put forward a convincing case that, for instance, Amazon is unfairly crushing small companies, most Americans can hardly imagine that the government will act, or even that it can. The problem isn’t just that Amazon [employs more lobbyists](https://www.opensecrets.org/federal-lobbying/clients/lobbyists?cycle=2019&id=D000023883) than the U.S. Senate has members. It’s that the machinery of government has been dysfunctional for so long that Americans forget it even exists. This is especially true when it comes to questions of how the economy is structured. Both political parties long ago abdicated their responsibility to be a check on the accumulation and the abuse of private power. Americans who believe this deference to big business is unwise have been conditioned to see ourselves as helpless. //// I encounter this every day in my work. As a researcher and the head of a nonprofit organization that seeks remedies for rising inequality and the decline of small local businesses, I’m worried about monopolies in general and Amazon in particular. (Last year, I testified before the committee as an expert witness in its investigation.) Amazon is a gatekeeper. By some estimates, more than 60 percent of Americans start their search on that site when buying goods online. The retailers and the manufacturers who do not sell there are at a deep disadvantage—which gives Amazon enormous power to dictate terms. If my inbox is any indication, many people share my view that Amazon has too much power. And yet the only response most can envision is a campaign calling on people to cancel their Prime memberships. Americans have somehow forgotten that we’re citizens of a democracy that possesses formidable tools for restoring balance and fairness to our economy. ////For that reason, what happens next in the investigation is crucial. The committee’s work is that of a democracy rediscovering its capacity to determine how the economy should operate—and how to hold the powerful accountable to the law. Its ultimate outcome will speak to two of the most consequential economic questions Americans face. One is whether a handful of tech giants will continue to wield outsize power over our commerce and communications. The other is whether we’re still capable of governing ourselves. ////MUch of the subcommittee’s work has been happening quietly out of view. Over the past year, its staff of attorneys has sifted through more than 1 million documents that the four corporations were ordered to hand over, reviewed submissions from more than 100 of their suppliers and competitors, and conducted hundreds of hours of interviews with witnesses. Seeking testimony from the CEOs was the final step in the investigation. It gave the executives a chance to address the evidence against them before the committee issues its findings. //// The burden is on the subcommittee to show Americans that what Amazon and the other tech giants are doing is both wrong and harmful. Armed with witness statements and [internal company documents](https://judiciary.house.gov/online-platforms-and-market-power/), the subcommittee and its staff are framing an argument: Although these companies may still produce the occasional innovative product,. The tech giants have become gatekeepers, and they exploit that control to advance their own interests. At the hearing, the subcommittee members translated the sometimes-arcane language of antitrust law into words everyone understands. They talked of spying, stealing, and bullying. ////Representative Pramila Jayapal of Washington, a Democrat whose district encompasses Amazon’s Seattle headquarters, pressed Bezos on evidence that Amazon routinely mines the pricing and sales data of the independent sellers on its site and uses this information to develop its own competing versions of their most lucrative products. “Do you think that’s fair to the mom-and-pop third-party businesses who are trying to sell on your platform?” she asked. When Bezos asserted that these sellers are Amazon’s “partners,” Representative David Cicilline of Rhode Island, who chairs the subcommittee, quoted from company documents in which Amazon instead calls them [“internal competitors.”](https://www.msn.com/en-us/news/other/rep-cicilline-presses-bezos-for-characterizing-third-party-sellers-as-internal-competitors/vi-BB17lctu) ////That Amazon exploits its power in one part of its operations to further its interests in another was a theme the subcommittee returned to repeatedly. One example of this was the questioning by Democratic Representative Mary Gay Scanlon of Pennsylvania about Amazon’s logistics division. During a moment that will undoubtedly haunt the company’s lawyers, Bezos confessed that Amazon’s algorithms [deliberately](https://www.propublica.org/article/amazon-says-it-puts-customers-first-but-its-pricing-algorithm-doesnt) steer shoppers to sellers who use its shipping services. This helps to explain how Amazon has, in just a few years, built a package-delivery operation that’s on track to [overtake](https://www.supplychaindive.com/news/amazon-logistics-volume-surpass-ups-fedex-2022-morgan-stanley/569044/) UPS and FedEx by 2022. It accomplished this feat not by competing with these carriers on price and service, but by leveraging its control over the many businesses that depend on its website. //// Ken Buck, a Republican representative who is a member of the conservative Freedom Caucus, continued the theme, grilling Bezos about evidence that Amazon had deliberately allowed counterfeits to proliferate on its site in order to extract protection money from suppliers. He cited the experience of PopSockets, a start-up in his home state of Colorado that makes popular phone accessories. The company’s founder [told](https://docs.house.gov/meetings/JU/JU05/20200117/110386/HHRG-116-JU05-Wstate-BarnettD-20200117.pdf) the subcommittee that Amazon declined to rid its website of fake versions of his products until he agreed to spend $2 million to advertise on the site. //// The subcommittee also has evidence that Bezos had leveraged his exceptional backing from Wall Street to block upstart competitors from gaining a foothold; that Amazon lost [$200 million in a single month](https://www.nytimes.com/2020/08/04/opinion/amazon-facebook-congressional-hearings.html) selling diapers below cost in a bid to force the parent company of a popular rival, Diapers.com, to agree to be acquired; that Amazon sold Echo speakers [below cost](https://www.theverge.com/2020/7/29/21347121/amazon-echo-speaker-price-undercut-rivals-loss-sale-antitrust-hearing) and bought up potential rivals such as Ring so that its Alexa voice assistant could dominate the “smart home” market. Lawmakers have also documented the consequences of these practices—the small businesses, the software developers, and the product inventors who live in fear of being crushed at Amazon’s whim. //// Amazon, of course, is just one of the tech giants under the antitrust subcommittee’s scrutiny. The panel is building a case that these companies have created a form of private government—autocratic regimes that are tightening their control over our main arteries of commerce and information. As such, they threaten Americans’ liberties. “Our founders would not bow before a king,” Cicilline [said](https://www.thetimes.co.uk/article/tech-giants-that-crush-competition-should-be-split-up-s2jkmjlww) at the hearing. “Nor should we bow before the emperors of the online economy.” //// Congress has not conducted so detailed an investigation of monopoly power in the lifetimes of most Americans, so it’s hard to conceptualize where it might lead. But if the past is any guide, it could precipitate both new laws and antitrust prosecutions. In 1938, for example, Congress set up a commission to examine concentration across multiple industries. Its findings [led](https://lawecommons.luc.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1494&context=facpubs) the federal government to file a major antitrust case, change the patent laws, and, in 1950, [pass sweeping legislation](https://www.britannica.com/topic/Celler-Kefauver-Act) to restrict mergers. Congress conducted other investigations of monopoly in the 1950s and 1960s, and the results shaped antitrust enforcement. But then, beginning in the 1970s, monopoly was sidelined as a concern by both political parties. //// The House’s antitrust subcommittee is resurrecting this tradition, and there are signs its work is already having an effect. State attorneys general in New York and California have [reportedly](https://www.bloomberg.com/news/articles/2020-08-03/amazon-s-market-power-is-said-to-be-investigated-by-new-york-ag) opened antitrust investigations into Amazon. //// But a multiyear court fight is not the only way to restructure Amazon and the other tech giants. The subcommittee may recommend a more straightforward approach. Congress could approach digital platforms the same way it did the railroads, another pivotal technology that governed market access. In the late 19th century, a handful of railroad barons used their control of the rails to monopolize other industries. They captured the market for coal, for example, by [blocking rival producers](https://columbialawreview.org/content/the-separation-of-platforms-and-commerce/) from using the rail lines to get their coal to market. They also [charged farmers](https://eh.net/encyclopedia/the-economics-of-american-farm-unrest-1865-1900/) exorbitant rates to ship their crops. Congress responded by setting up a [commission](https://www.senate.gov/artandhistory/history/minute/Interstate_Commerce_Act_Is_Passed.htm) to oversee rates and ensure that the railroad companies did not discriminate against some customers by imposing higher prices or different terms of access. Then, in 1906, Congress enacted a [law](https://columbialawreview.org/content/the-separation-of-platforms-and-commerce/) barring the railroads from maintaining an ownership stake in firms that produced goods requiring rail transportation, thereby dissolving their ability to self-deal. //// By passing a similar law today, Congress could compel Amazon to spin off its core parts, making each of its major divisions—its online marketplace, retail division, cloud services, and logistics operation—a stand-alone company. Doing so wouldn’t eliminate what people like about Amazon. But it would prevent Amazon from leveraging the interplay between its parts to sidestep competition, exploit smaller companies, and expand its dominance into adjacent markets. It would, in the [words](https://finance.yahoo.com/news/this-is-the-beginning-of-the-end-of-big-tech-as-we-know-it-nyu-professor-galloway-194718192.html) of the NYU business professor Scott Galloway, “oxygenate the economy,” opening the way for new businesses, new innovations, and new jobs.//// Amazon’s investors clearly aren’t worried that this will happen. The antitrust subcommittee’s work may not lead to legal changes for years, if at all. But in the middle of a pandemic that has spawned so much rethinking of how American society has come to operate, the panel is offering a reminder that tech monopolists, too, are subject to democratic rule. By limiting their ability to expand their power, Congress could also reestablish America as a democracy that can actually solve problems and govern itself.

#### Big tech has novel pathways to monopolization – leveraging existing regulations is insufficient

* This card is a pre-empt of ‘enforce existing regulations’ counterplan: existing reg’s don’t assume new/cunning ways tech monopolizes
* This card is a pre-empt of any business/economy disads – Chicago school thought leaving things alone would solve, cauase self-correction.

**Baker 19** [Jonathan Baker is a former Director of the Bureau of Economics at the Federal Trade Commission, is a Research Professor of Law at American University, 7/30/2019, <https://promarket.org/2019/07/30/how-reforming-antitrust-can-restore-a-competitive-economy/>, How Reforming Antitrust Can Restore a Competitive Economy, Pro Market] [RL 21] [//indicates pargraph breaks]

For decades, competition in America has been on the wane, leading to slower economic growth and a gaping chasm of inequality. Antitrust can help reverse the trend, but antitrust doctrines and enforcement actions once thought adequate are proving insufficient. Fixing the problem is urgent.// In the late 1970s, Robert Bork and Richard Posner published two of the most influential books ever written about antitrust law and policy. As with Posner’s broader work in law and economics, they were especially concerned that law not get in the way of efficient business practices. They argued that the antitrust rules did just that, harming the economy by systematically discouraging firms from capturing efficiencies. They maintained that antitrust advocates overstated the dangers of market power and sacrificed too much to prevent it. The two Chicago school lawyers proposed eliminating some rules and modifying others to make them less restrictive. // Bork and Posner wrote amid political conditions favorable to their deregulatory impulse. Ronald Reagan’s popularity was rising, and he would, in short order, win the presidency by promising to rescue the US economy from state strangulation. Voters, politicians, officials, and courts were increasingly receptive to Bork and Posner’s efficiency arguments, both on their intrinsic merits and to reduce the scope of government. The two lawyers wrote to persuade judges, who make the antitrust rules, except on rare occasions when Congress steps in. And they wrote to persuade the Antitrust Division of the Justice Department and Federal Trade Commission, which make federal antitrust-enforcement decisions. In both aims, the authors were successful. Even before Reagan took office, the Chicago school was making inroads in the courts and enforcement agencies. // For Bork, the antitrust paradox (his title) was that antitrust enforcement had popular support even though, in his view, antitrust law was a policy at war with itself (his subtitle). Bork contended that the antitrust law then in force was based on an intellectually incoherent mix of pro-competitive and protectionist premises. Its doctrines could not be other than contradictory— sometimes preserving competition and sometimes suppressing it. His prescription was to eliminate the contradictions, and the inefficiencies they created, by relaxing antitrust rules and their enforcement. // Of course, Bork and the Chicagoans did not know if their agenda would have the intended effect. They expected that relaxing antitrust rules would enable firms to achieve greater efficiencies. Firms would lower costs, possibly passing some of the savings through to lower prices. They would also improve their products and services, and innovate more quickly and extensively, boosting economic growth. But the Chicagoans were making a wager. The bet was that these efficiencies would more than compensate for any increased risk of firms exercising market power. If it worked, consumers would obtain long-term welfare benefits over and above any losses associated with anticompetitive practices. // We now know that the Chicagoans lost their bet. Since the implementation of antitrust deregulation, market power has widened, without accompanying long-term gains in consumer welfare. Instead, economic dynamism and the rate of productivity growth have been declining. The harms from the exercise of market power have extended beyond the buyers and suppliers directly affected to include slowed economic growth and a skewed distribution of wealth. Whatever efficiency gains the Chicago-inspired changes may have achieved have not compensated for the market-power effects of the antitrust deregulation they sought. // Market power has widened for multiple reasons. One is the Chicago school reforms to the antitrust laws themselves. Another has been the changing technological landscape of the economy. The information technology (IT) giants that now top the financial markets’ valuation charts did not exist when Bork and Posner wrote their books. And firms in all sectors are investing in IT. As it grows, the IT economy raises a host of novel and challenging competitive issues, particularly with respect to innovation. Resolving these issues appropriately takes on an out-of-size importance: the information technology sector continues to innovate while productivity growth has been slowing overall. // Information technology has transformed many industries for the better, but it also gives firms new ways to limit competition and exercise market power. Businesses can use computerized algorithms to set high prices in coordination with their rivals. Google and Facebook’s dominance of Internet advertising and Amazon’s leading share of online shopping, potentially protected from competition by network effects and economies of scale, could give those firms the power to extract excessive fees from manufacturers and service providers seeking to reach prospective customers. IT giants may be able to forestall challenges from new competitors by acquiring potential rivals before they become market adversaries, as perhaps happened with Facebook’s acquisition of Instagram. // In response, the need for stronger antitrust enforcement has become more politically prominent. “In every corner of our economy, competition is increasingly choked off,” Senator Elizabeth Warren stated in 2017. “Airlines, banking, health care, pharma, agriculture, telecom, tech—in industry after industry, a handful of giant corporations control more and more and compete less and less It is time to do what Teddy Roosevelt did: pick up the antitrust stick again.” The Obama White House pointed to indicators of declining competition. During the 2016 campaign, candidates Hillary Clinton and Donald Trump both sounded antitrust themes. Trump announced plans to block a large media merger, apparently on competition grounds, and suggested that Amazon has an antitrust problem. It has been decades since competition policy has received this much public attention. // Today’s antitrust paradox is not Bork’s: it is the surprising conjunction of substantial market power with well-established and extensive antitrust institutions. Antitrust doctrines and enforcement actions once thought adequate to protect competition are proving insufficient. Fixing the problem is urgent. The longer that anticompetitive practices persist, the greater the harm to the economy. The more our antitrust institutions fall short, the more politically difficult it will become to fix them. Instead, the public will favor more draconian regulatory responses, such as treating businesses in more sectors of the economy as public utilities when effective competition would have been possible. These could cause dramatic efficiency declines that antitrust avoids. The Chicago school’s failures increasingly cast our antitrust institutions in a bad light. Bork, Posner, and their ilk sought to improve economic performance by reshaping antitrust, and their method for achieving that outcome—economic analysis—is appropriate. The problem is the particular medicine they prescribed. // In my new book The Antitrust Paradigm, I explain how to foster economic competition by strengthening antitrust. I explain why antitrust law should and does embrace technical, economic-oriented analysis in the service of political as well as economic ends. I use an economic framework to identify potential competitive harms from dominant information technology platforms and other distinctive features of the modern economy. I show why we can expect antitrust, by deterring the exercise of market power, to produce the economic benefits that Chicagoans blamed it for stifling. // In the book, I present evidence of substantial and widening market power and identifies the economic harms resulting from its exercise. I also explain how an effective antitrust enforcement regime benefits the economy by channeling firms toward the pursuit of better and cheaper goods and services. // Economic analysis and history both suggest as much. The antitrust regime prevailing at mid-century had solved a central political problem: how to deal with the effects of monopoly power that developed with industrialization. The resulting political consensus has endured for more than seven decades, even through the Chicago-inspired antitrust deregulation. // Yet, our contemporary antitrust paradox works to undermine that political consensus. A conservative Supreme Court’s lax antitrust enforcement threatens to reject the antitrust approach by stealth. We may soon reach a point where the political consensus breaks down, with antitrust effectively replaced by a laissez-faire approach allowing firms to operate with little or no governmental supervision, inviting even greater exercise of market power. Eventually, this could create the conditions for a political backlash, resulting in extensive regulation of large firms rather than the restoration of antitrust. // At the moment, we cannot count on the political branches to stand in the way of the Supreme Court. The White House is controlled by the political party that tends to advocate a less interventionist approach to economic policy and Congress is closely divided. Non-interventionism will continue to win the lion’s share of campaign-finance support, as large donors and their firms tend to benefit from hands-off market power regulation. // Our current president seems to invite deal-making between the government and individual firms. Three political threats to antitrust that could flow from such activity, regardless of the party in power: partisan misuse, special-interest protectionism, and the development of a vicious cycle of crony capitalism, in which firms with market power exploit it to secure the political power that helps protect or extend it. This further erodes antitrust, creating more market power and so forth. Maintaining norms against direct political influence in enforcement is therefore essential. // Antitrust rules balance the costs of insufficiently deterring anticompetitive conduct against the costs of excessively chilling pro-competitive conduct and the costs of administration. I argue that substantial and widening market power justifies more interventionist rules and judicial presumptions in the United States. With the growing importance of burden-shifting in the formulation of antitrust rules, courts can be expected to rely increasingly on presumptions to structure antitrust analysis. Antitrust rules can be reformed to enhance deterrence of harmful conduct by identifying ways to strengthen and supplement the presumptions courts employ when reviewing horizontal mergers. // In the book, I take on nine erroneous arguments against antitrust intervention, including the assumptions that markets self-correct, that the harms from unwise judicial precedents outweigh those of market power, and that antitrust institutions are subject to manipulation by complaining competitors. Such arguments do real damage when they find sympathetic ears at the Supreme Court and enforcement agencies and justify hands-off conduct by those who might otherwise bristle at the anticompetitive activities of large firms. // Antitrust rules can address four competitive problems new to the information economy or exacerbated by it: algorithmic coordination; exclusionary conduct by dominant platforms; threats to innovation; and harms to users on all sides of platforms—suppliers as well as customers. Giant Internet enterprises have been charged with monopolizing a wide range of online markets, and corporate investments in information technology, even by non-IT firms, may also be associated with the exercise of market power. In light of these competitive concerns—but also keeping in mind the economic benefits flowing from the IT sector—I suggest presumptions courts should adopt to more effectively deter exercises of market power. // One possible anticompetitive consequence of artificial intelligence capabilities we already possess is the prospect that firms will coordinate through pricing algorithms. That prospect should alter how antitrust laws infer agreement among rivals from circumstantial evidence when firms raise prices in parallel. The algorithmic-coordination problem also has implications for horizontal merger policy. // Exclusionary conduct by information technology platforms is another concern. Through a range of mechanisms, platforms can harm competition—some familiar and others newly enabled by big data. For example, access to detailed information about individual buyers and suppliers may permit exclusion through targeted discounts. The use of price as an exclusionary instrument is particularly worrisome because the Supreme Court has raised the bar for challenges to predatory pricing. In the book, I suggest ways courts should employ or modify presumptions to push back. // The cutting-edge nature of the information economy calls for antitrust attention to competitive harms to innovation, not just harms on the more familiar competitive dimensions of price, output, and quality. Antitrust enforcement is called for when business conduct harms competition by suppressing new business models, technologies, or products, but antitrust enforcers must be wary because action against firms engaged in research and development also could chill innovation. Courts and enforcers can do more to deter competitive threats in innovative industries, while limiting the chill to pro-competitive conduct, and deal with threats to innovation competition and future product competition from mergers and the exclusionary conduct of dominant firms. // In certain circumstances, antitrust law should allow benefits to some economic actors to offset harms to others. This question is becoming increasingly important with the growing prominence of information technology platforms. The question is whether competitive harms to one group of economic actors—which could be suppliers or workers paid prices below competitive levels as well as buyers charged prices above competitive levels—can be offset by linked benefits to other end users. Antitrust law allows benefits to offset harms within markets but not across markets, except as a matter of prosecutorial discretion in merger reviews. Accordingly, platforms cannot justify anticompetitive conduct that harms users on one side by showing benefits to users on another side. That rule sensibly prevents courts from having to engage in impossibly complex analyses and helps protect political support for the antitrust laws. To prevent the rule from discouraging economic growth, occasional exceptions could be made where the benefits are greatly disproportionate to the harms. // Notwithstanding substantial and widening market power, the threatened stealth rejection of antitrust, and novel competitive challenges raised by the IT-infused economy, all is not lost. Restoring the antitrust enterprise in the shadow of a Chicago School-inspired Supreme Court majority unsympathetic to changing course can be accomplished. // Doing so will not be easy. It will require progress on many fronts: increased awareness that market power is substantial, widening, and harmful; political mobilization to restore antitrust; leadership from the antitrust enforcement agencies; litigation to exploit the space created by lower courts willing to question the Chicago school; and reliance on economic arguments. The Supreme Court is committed to an economic approach and will only change its antitrust stance if the majority is convinced that doing so makes economic sense. // One goal of The Antitrust Paradigm is to challenge the prevailing Chicago approach. Another goal is to show how antitrust can be reformed to improve economic outcomes. In addition, I seek to demonstrate that, even though antitrust law evolves as political priorities shift, antitrust disputes can and should be resolved on the basis of economic analysis. Finally, I hope that readers disposed against antitrust because they believe it does not do enough to curb the political influence of large corporations will come to see antitrust as a step in the right direction. It doesn’t eliminate the potential political harms of concentrated economic power, but by enhancing competition, it reduces the threat. // For decades, competition has been on the wane—a trend exacerbated by the growth of information technology. With this trend has come slower overall economic growth and a gaping chasm of inequality. Antitrust can help reverse the trend. It can help our society secure the benefits of a changing economy by ensuring that, no matter what businesses do, they do it in the context of competitive markets.