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May 21, 2024

Dear Members of the House Energy and Commerce Committee,

We write to you in advance of the committee hearing on May 22, 2024 to express our opposition to the draft bill known as "Section 230 Sunset Act" authored by Committee Chair Cathy McMorris Rodgers (R-WA) and Ranking Member Frank Pallone, Jr. (D-NJ).

The liability shield commonly known as Section 230 has fostered the growth of the Internet since it was passed in 1996. Since then, the online ecosystem has blossomed into the largest democratization of free speech the world has ever known. It has also <u>produced billions of dollars</u> in wealth creation and helped position the United States as the <u>global leader</u> in tech.

While we applaud the good intention to make the Internet a safer place for users, repealing Section 230 would put all of that expressive and economic gain at risk.

Even small carve outs to Section 230 have proved problematic. In 2018, Congress passed the Allow States and Victims to Fight Online Sex Trafficking Act (FOSTA) and the Stop Enabling Sex Traffickers Act (SESTA) with the best of intentions. Unfortunately, those measures have had unintended harmful consequences for the <u>health and safety</u> of some of the most vulnerable Americans. The measures have also eliminated entire <u>forums of speech</u> online.

Some consequences of repealing Section 230 are easier to predict.

Opening up online hosts of third-party content to legal liability for speech that is not their own would almost doubtlessly result in less total speech online. A great deal of legal speech would be suppressed to avoid risking lengthy and expensive legal costs. Even the biggest tech hosts who could survive increased legal and automated content moderation costs would surely opt to take down speech that presented even a small risk. Protecting the free flow of speech is one of Congress' most solemn duties, but removing Section 230 would curtail the free flow of expression in the U.S.

It will also mean a feeding frenzy for the plaintiff's bar. As many members know well, the tort system in the U.S. is <u>deeply flawed</u> and often fails victims, does not meaningfully deter bad behavior, and distorts incentives to innovate. Small, nascent, and yet-to-be founded would-be competitors to Big Tech may not be able to survive the legal risks of a world without Section 230's protections.

While many associate Section 230 with aiding large social media platforms, other players in the online community will be harmed in its absence. User reviews on Yelp and Amazon may be in jeopardy. The same is true for comments sections in local and national newspapers online. Reddit, Substack, and Wikipedia will all be put at heightened legal risk for hosting third-party content.

We respectfully urge members to resist this attempt to repeal or replace Section 230.

Sincerely,

Jessica Melugin Director, Center for Technology and Innovation Competitive Enterprise Institute

Vance Ginn, PhD, Former White House Chief Economist

Grover Norquist President Americans for Tax Reform

Steve Pociask President & CEO The American Consumer Institute

James Erwin Executive Director Digital Liberty

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