

The shifting dynamics between US Republicans and the tech industry

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Among many disruptive shifts in US politics over the last decade, the relationship between Republicans and Big Tech has been part of a wider shift in Republican positioning that includes trade, media, culture, and foreign policy. With the 2024 elections presenting a real possibility for Republicans to emerge with a stronger hold on Congress and possibly the White House, this shift is important to reflect on, especially as the importance of political battlegrounds at the intersection of tech and culture become increasingly salient.

The Republican party has historically been pro-business, pro-limited regulation, and pro-free market. However, the Trump presidency and the cultural fractures that produced it and which it produced have changed this in important ways. On foreign trade and competition, the Republican base has forced elected representatives to become more sceptical and even protectionist. Something similar has happened on tech and culture questions. With many tech firms implicitly or explicitly aligning against the Trump administration and for progressive social policy and with many Republicans concerned about the biased treatment of conservative voices on online platforms - which partly stems from their alleged market power and ability to control the narrative on those platforms - the Republican party has often found itself as the sector's loudest political opponent.

REPUBLICAN CONCERNS AT BIG TECH INFLUENCE

One example has been the way in which Republicans have sought to reform publisher liability to address the alleged biased content moderation standards and practices of online platforms. The deplatforming of Republican voices, and most notably former President Donald Trump following the January 6th attack on the US Capitol building, has significantly added to this momentum at the federal and state levels. Texas and Florida have both passed content moderation laws to prevent platforms from banning users and content based on viewpoint. While both laws face legal challenges, they are indicative of the instincts of Republican-led states. At the federal

level, earlier this year, House Republicans launched the Select Subcommittee on the Weaponization of the Federal Government, which seeks to uncover instances of government pressure on tech giants that might have led to censorship or harassment of conservative voices, or suppression of debate on contentious policies, including those related to the Biden administration's actions on covid.

This is feeding into Republican attitudes on AI, where some Republicans are concerned that machine learning technology could be 'taught' the same bias against conservative voices. Some have openly accused large AI developers of designing a tool that reflects the liberal values of its programmers. There has been a notable uptick in Republicans calling for the creation of chatbots or other tools that more accurately reflect conservative values. On antitrust, conservatives have shown themselves to be eager to crack down on the market dominance of online platforms, on the assumption that a concentrated market is not just a problem for competition but for political diversity.

This has notably pushed some Republicans into more bipartisan activities with Democrats, who tend to be more skeptical of large companies. Sen. Amy Klobuchar (D-MN) and Sen. Chuck Grassley (R-IA) rarely see eye to eye, but they both believe there is a need to curb Big Tech's alleged exploitation of their gatekeeper status. This led them to jointly introduce the American Innovation and Choice Online Act in the last Congress, attracting an unlikely mix of Senate co-sponsors, ranging from liberal Sen. Cory Booker (D-NJ) to conservative Sen. Josh Hawley (R-MO). While the bill ultimately failed it was a rare show of bipartisanship. This trend has continued with other major bipartisan initiatives, including several bills introduced this year. One recent example is the No Section 230 Immunity for AI Act, introduced by Sen. Hawley (R-MO) and Sen. Richard Blumenthal (D-CT), who respectively hold the positions of ranking member and chair of the Senate Judiciary Subcommittee on Privacy,

Technology & the Law. The proposed legislation would allow social media companies to be sued for spreading harmful material (e.g., deep fake photos) created with AI.

HEADWINDS TO CONGRESSIONAL ACTION

However, these unexpected bipartisan alliances face serious headwinds, some of them of a more traditional Republican variety. One is the opposition of pro-big business Republicans. Some veteran Republicans, like former Senator Scott Brown (R-MA), who chairs the Big Tech advocacy group, The Competitiveness Coalition, worry that the calls to reign in Big Tech represent too much of a departure from the pro-business doctrine of the Republican party. Brown and other members of the anti-regulation wing of the Republican party are urging members to focus on addressing censorship issues rather than resorting to other legislative areas, particularly antitrust legislation, which they claim would hinder innovation and competition. The Competitiveness Coalition has played a significant role in fighting antitrust legislation in Congress and received over \$1 million in funding from Amazon. The divide within the party between Big Tech antagonists and free market Republicans highlights the fact that widespread agreement over the need to regulate Big Tech does not necessarily mean agreement on remedies.

A second notable headwind is the tension between Republicans and Democrats. Inter-party politics remains the biggest barrier to consensus. Republicans remain reluctant to give Democrats any major legislative win, especially ahead of the contentious 2024 elections, despite bipartisan support for certain bills, such as the Digital Consumer Protection Commission Act which would create a new commission to regulate online platforms. The most likely area where this divide may be bridged is on initiatives that target China, or US competitive advantage over China. This was evidenced by the landmark 2022 Chips and Science Act. As such, similar legislation focusing on the nexus of national security and technology have a higher chance of passing, though such bills will still face political headwinds.

Moving forward, companies and investors will see more attempts at legislating on pressing tech issues, even from a party that historically has been outwardly pro-business and pro-limited regulation. While most of these attempts are unlikely to succeed, understanding the shifting politics of Republicans, especially as the 2024 elections approach, where Republicans could perform well, is crucial. This understanding will enable businesses to align their practices and strategies with potential new regulatory realities, and effectively manage risks in contentious areas like content moderation, algorithmic bias, and antitrust.

FIG 1: LOOKING FORWARD: FOUR TECH POLICY AREAS TO WATCH FOR REPUBLICAN ACTION



CONTENT MODERATION: While both parties agree that Section 230 should be reformed, a Republican-led congress would likely focus on initiatives that restrict platforms from censoring speech and de-platforming conservatives while also retaining their Section 230 protections. Outside of congressional action, the Supreme Court could potentially decide on the constitutionality laws in Florida and Texas that prevent social media companies from removing online content based on the views they express. Should the conservative-leaning Supreme Court uphold the state laws, it could provide congressional Republicans with additional grounds for pursuing federal content moderation legislation.



CHILDREN'S ONLINE SAFETY: Both Democrats and Republicans have expressed concern with the negative effects of social media on young users. As such, bills like the Kids Online Safety Act (KOSA), which if passed would require platforms to act in the best interest of children using their services, have garnered significant bipartisan support. Even if KOSA fails to become law before the 2024 elections, a Republican-controlled Congress would likely make strong efforts to pass similar legislation.



ARTIFICIAL INTELLIGENCE: With the rise in popularity of ChatGPT and increasingly calls for Congress to pass AI legislation, a key concern among conservatives is the potential for AI to institutionalize liberal political preferences. A Republican led Congress could seek ways to address algorithmic bias that results in the discrimination of conservative voices through AI regulation.



ANTITRUST: Some Republicans view antitrust reform as a potential solution to their censorship challenges, arguing that market dominance of major online platforms has led to the stifling of conservative platforms. However, other Republicans argue that sweeping antitrust measures could hurt innovation. Given these divisions within the Republican party, it is unlikely that major antitrust reform will occur even if Republicans gain control of Congress in 2024.

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