



Big Tech

Summary and Key Talking Points

Policy Proposals

1. Ensure enforcement of antitrust law and reform or modernize antitrust laws where necessary. Prohibit the government from using social media platforms as its agents to censor speech.
2. Ban TikTok from operating in the U.S. market and set standards for foreign-owned digital platforms that want to operate in the United States.
3. Establish a federal data protection framework with appropriate standards and oversight for how the federal government and commercial entities collect, store, and share U.S. user data.
4. Protect children from the predations of technology companies through legislation like the Kids Online Safety Act (KOSA).

Quick Facts

1. Habitual social media use is rewiring the brains of children in ways that diminish impulse control, which is vital to life success.
2. Ten percent of the collective artificial intelligence (AI) research labs of Facebook, Google, IBM, and Microsoft were based in China at the end of 2020.
3. China is Apple's second-largest consumer market, with sales there comprising nearly a fifth of the company's annual revenue.

Power Phrases

Expose and Respond to Big Tech's Abuses

- Big Tech erodes individual liberties, divides Americans, and stunts human flourishing and self-governance.
- Big Tech companies censor the speech of Americans and manipulate access to information at the behest of the government.
- Big Tech's practices result in concrete negative effects on the development and well-being of young Americans.

Recognize China's Role in Big Tech

- Apple's dependence on Chinese engineering, manufacturing, and consumers leaves the company at the mercy of Communist Chinese demands. Technology transfers and intellectual property theft from American companies empower China.

The Issue

Big Tech is damaging the fabric of the country. A multipronged effort is required to combat its specific harms on children, the digital public square, the free market, and America’s national security. A layered approach at redressing Big Tech’s abuses should expose its negative influence on civil society, promote the principles of federalism through state legislative action, and build platforms that protect freedom of expression. Absent campaigns on every one of these fronts, Big Tech will continue to erode individual liberties, segment the American citizenry, and stunt human flourishing and self-governance.

Big Tech’s practices result in measurable, deleterious effects on young citizens. Researchers are now able to reify a causal link between social media and negative effects on children and teenagers in the Western world. A January 2023 study conducted by neuroscientists at the University of North Carolina found that social media use, particularly “social media checking behaviors,” could be associated with changes in sensitivity to social rewards and punishments in children’s brains. In other words, habitual social media use is *rewiring the brains of kids as young as 12* in ways that diminish impulse control, which is vital to life success.

Another study published by Cambridge University researchers in March 2022 found a direct relationship between social media use and life satisfaction in younger adolescence. The researchers discovered that “higher estimated social media use predicts a decrease in life satisfaction ratings” and that “lower estimated social media use predicts an increase in life satisfaction ratings” during these critical developmental stages. Companies like Facebook are aware of these effects yet continue to double down and expand efforts targeted at children. As Representative Bill Johnson (R–OH) said at a congressional hearing in March 2021: “Big Tech is essentially giving our kids a lit cigarette and hoping they stay addicted for life.”

In the information environment, Big Tech is leveraging its market dominance to shut off Americans’ direct access to digital information and engage in public information manipulation—often hand in glove with the government—and squelching America’s culture of free speech. As a practical matter, Big Tech companies can now control Americans’ ability to access information. Censorship conducted at the cloud-hosting level or Internet service provider (ISP) level severely curtails direct access to viewpoints and people who run afoul of these providers. By controlling these lower levels of the technical stack on which many other layers (such as digital platforms and applications) depend, a small group of unelected and unaccountable tech executives can pull the plug on entire companies, nonprofits, or even state and local governments—and with very limited recourse.

Big Tech companies have successfully policed the speech of Americans at the behest of the government and manipulated their access to information due in part to anticompetitive practices. Big Tech firms seek to entrench their monopolies by erecting high barriers to entry, engaging in rampant self-preferencing and other anticompetitive practices, and buying and killing innovative young companies. Common behavior includes Apple’s penchant for “Sherlocking” (stealing the core functions of the third-party applications it hosts) and demanding 30 percent commissions on in-app purchases from smaller companies. Amazon effectively requires smaller companies to give it the right to buy massive stakes in those companies for extremely deep discounts rather than at market value. Tech companies also hoard talent by hiring programmers to “work on next to nothing,” in the words of venture capitalist Chamath Palihapitiya, solely to prevent them from being hired by other companies where their skillsets could disrupt the incumbent’s business. Similarly, Big Tech companies are no strangers to the practice of “killer acquisitions” (buying out innovative young businesses just to kill them so they cannot compete with the acquirer in the future). As part of this strategy, Big Tech companies specifically target and terminate the smaller company’s innovation initiatives in order to strangle the future competitor and its incipient ideas in the crib.

On the national security front, Silicon Valley companies that were built in part through partnerships with the Chinese Communist Party (CCP) are reticent to disassociate themselves from the CCP. Apple, for instance,

assembles nearly every iPhone, iPad, and Mac computer it produces in China. The country is Apple's second-largest consumer market, with sales there comprising [nearly a fifth of the company's](#) annual revenue. Apple's dependence on Chinese engineering, manufacturing, and consumers leaves the company at the mercy of CCP demands. In addition to Apple, most Big Tech companies have few qualms about helping the CCP to preserve their access to the Chinese market. Amazon Web Services, for instance, operates at least five joint operations centers in China. Ten percent of the collective artificial intelligence (AI) research labs of Facebook, Google, IBM, and Microsoft [were based in China](#) at the end of 2020. Microsoft has also announced a collaborative AI initiative with ByteDance, the Chinese parent company of TikTok.

Recommendations

In order to protect Americans from Big Tech, Congress should:

Protect children from the predations of technology companies by enacting the Kids Online Safety Act (KOSA), for example. KOSA would create platform accountability and transparency, provide recourse for children and parents against companies that have become more aggressive in targeting children to maximize growth, and require public reports on breaches of parental tools and technical safeguards that include privacy by design, age verification, opt-in features, and stringent default settings.

Prohibit the government from using social media platforms as its agents to chill speech. Officials should not pressure social media platforms to take down content or remove a user for legitimate speech protected by the First Amendment.

Reform Section 230 of the 1996 Communications Decency Act. Lawmakers should strip Section 230 immunity if tech companies censor content based on political and other views protected by the Constitution (with clearly outlined exceptions for specific content, such as legitimate forms of political speech). Lawmakers should also clarify that a platform's choice to algorithmically moderate content does not provide them with immunity for improper moderation decisions. Big Tech companies should not receive liability protection against lawsuits when they act as publishers and alter or restrict content based on political opinion, association, or viewpoint in such instances.

Institute additional reporting requirements. Congress or the Federal Election Commission (FEC), or both, should clarify that tech company equivalents of public accommodations, such as those that benefit from Section 230, that permit access to one political candidate or party but not to other candidates or parties to their platform will be deemed an in-kind and reportable campaign contribution to that candidate or party. Similarly, tech companies should be required to report suppression of political candidates' voices as in-kind contributions for campaigns directly to Congress or the FEC with a public availability component.

Institute data privacy legislation. Establish a federal data protection framework with appropriate standards and oversight for how the federal government and commercial entities collect, store, and share U.S. user data. Consumers must affirmatively opt in to any system that allows their data to be shared with any third party (with possible exceptions for law enforcement and national security authorities), and they must be allowed access to platforms and core software functions if they choose not to opt in.

Ensure enforcement of antitrust law and reform or modernize antitrust laws where necessary. Lawmakers should set the stage for amendments to antitrust laws through scrutiny of Big Tech mergers—past, present, and future—and anti-competitive behavior oversight. Lawmakers should also launch aggressive investigations of relevant federal agencies, such as the Department of Justice and the Federal Trade Commission, to ensure that Big Tech companies are not using legitimate oligopoly power in one market to gain an unfair advantage in another market. At a broader level, these investigations should also verify that Big

Tech companies are not engaging in other illegal antitrust actions, such as colluding to erect barriers for competitors.

Prohibit joint ventures and R&D partnerships with Chinese state-owned entities. Congress should pass legislation which prohibits joint ventures and R&D partnerships with Chinese state-owned entities. This will limit the risk of technology transfer or intellectual property theft from American companies that could empower China's global competitiveness and strategic initiatives.

Ban TikTok from operating in the U.S. market and institute a risk-based framework that triggers specific policies for foreign-owned digital platforms that want to operate in the United States.

Congress should pass a country-neutral risk framework. If a particular criterion or set of criteria is met by a foreign-owned application, a particular policy would then go into action, such as sanctions or a ban on American assets.

Facts + Figures

FACT: Big Tech companies are aware of the impact of their products on children and teens yet continue to redouble their efforts to ensnare the next generation.

- According to a 2021 report in *The Wall Street Journal*, 32 percent of teenage girls who use Instagram said that “when they felt bad about their bodies, Instagram made them feel worse.”
- According to the same report, 6 percent of teenage Instagram users who reported suicidal thoughts traced their thoughts directly to Instagram.
- According to a 2022 Bloomberg report, TikTok’s “blackout challenge,” where players attempt to choke themselves with various items until they faint, was linked to the deaths of approximately 15 children ages 12 or younger in the course of 18 months between 2021 and 2022.
- In 2023, multiple Western media outlets found that TikTok provided registered 14-year-old users with self-harm and suicidal content [within five minutes](#) of creating the account, as well as depression and mental illness posts within similar time frames.
- A [2019 study found](#) a “consistent and substantial association between poor mental health and social media use,” especially among girls.

Resources

Kara Frederick, [Combating Big Tech's Totalitarianism: A Road Map](#), Heritage Foundation *Backgrounder* No. 3678, February 7, 2022.

Kara Frederick, [Social Media Is Hurting Kids, but a Fix May Be on the Horizon](#), Heritage Foundation *Commentary*, June 1, 2022.

Kara Frederick, [Parents to Big Tech: "We Want Our Children Back!"](#) Heritage Foundation *Commentary*, May 26, 2023.

Theo Wold, [Does Section 230 Protect Big Social Media or American Consumers?](#) *Newsweek*, February 17, 2023.

Hans A. von Spakovsky and Jake Denton, [Republican National Committee Targets Google Censorship in Lawsuit](#), Heritage Foundation *Commentary*, November 8, 2022.

Jake Denton, [Lawmakers Must Act as Biden Weaponizes Big Tech Against Americans](#), Heritage Foundation *Commentary*, September 7, 2022.

Kara Frederick, [Sleepwalking into a China-Style Social Credit System](#), Heritage Foundation *Commentary*, March 4, 2022.

Jake Denton, [Biden Administration Outsourcing Online Censorship of Conservatives](#), Heritage Foundation *Commentary*, October 14, 2022.

Michael J. Ellis and Kara Frederick, [Big Tech's National Security Red Herring](#), Heritage Foundation *Legal Memorandum* No. 311, October 27, 2022.

Kara Frederick, [TikTok Generation: A CCP Official in Every Pocket](#), Heritage Foundation *Backgrounder* No. 3757, March 22, 2023.

Jake Denton, [Government Officials Need to Ban TikTok From Operating in the U.S.](#), Heritage Foundation *Commentary*, November 3, 2022.

Jake Denton and Brenda Hafera, [The Tech Trajectory](#), Heritage Foundation *Commentary*, July 12, 2023.