



Internet Safe Harbors: Laws That Protect Speech & Creativity

Online Platforms Drive Economic Growth

Online services like Airbnb, Amazon, Facebook, Google, LinkedIn, Twitter, and Snapchat boost commerce and increase opportunities for businesses by allowing anyone, anywhere, to connect with billions of people to access and share information.

U.S.-based internet platforms' ability to host user-generated content has fueled crucial free expression and content creation both at home and around the world. It has led to the creation of a booming domestic internet economy. In the past few years, internet platforms have fundamentally revolutionized and improved the way we use transportation, purchase goods and services, and exchange ideas. In fact, the internet sector represents 6 percent of U.S. GDP and employs 3 million Americans.

Smart Laws Allow Responsible Online Platforms To Operate

Safe harbor laws ensure platforms are not held responsible for their users' actions, so long as the platforms act responsibly and meet certain reasonable conditions. This includes removing content when they are given notice.

Keep The Balance In Smart Laws: There are constant proposals to disrupt this carefully struck balance by making online platforms more liable for their users' content. However, changing intermediary liability laws would fundamentally alter the internet ecosystem in ways that would hinder economic growth and undermine core values such as free expression.

WITHOUT THESE LAWS:

- Online intermediaries could be forced to censor user activity online – including political speech and consumer commentary – to avoid costly litigation. Users' ability to access real-time content would be drastically limited by the need to review incredibly large volumes of user-generated content.
- Websites would require full-time teams of lawyers devoted to fighting lawsuits and monitoring user activity.
- Because of expensive lawsuits, the barriers to entry for internet startups would rise drastically and prevent new, creative services from ever being started.

- ➔ **Proposed changes to liability may reduce investment more than an economic recession:** A 2016 survey of U.S. investors found that 94 percent of investors believe an uncertain legal environment has negative consequences for investment.¹
- ➔ **Requiring platforms to screen content hurts the entire U.S. economy.** Emerging technology businesses are driving economic growth in the United States. Placing more onerous requirements on internet services would decrease U.S. GDP by an estimated \$44 billion and eliminate more than 425,000 jobs each year. That would be equivalent to giving away the annual GDP of Iceland, Jamaica, and Nicaragua combined and firing all McDonald's workers in the U.S.
- ➔ **Proposals to make platforms 'internet cops' will reduce free expression.** If online platforms were to be held responsible for content submitted by their users, they would likely remove large amounts of controversial but legal content, for fear of facing penalties. These proposals would also threaten important balanced provisions of copyright law, including fair use, which is critical to the functioning and development of technology and services.



The Balance In Law Allows Internet Platforms To Function At Scale

Support continued free expression and First Amendment rights by maintaining the Communications Decency Act Section 230.

- Section 230 of the Communication Decency Act of 1996 was passed to protect online services from being held responsible for user speech and content, **ensuring a robust internet sector that promotes free expression and innovation.**
- Section 230 limits onerous legal pressure on internet companies by relieving these intermediaries of limiting user-generated speech and content, **paving the way for a diverse internet ecosystem.**

Continue to provide opportunities for creators, nurture innovation, and give entertainment to consumers by maintaining Section 512 Safe Harbors of the Copyright Act.

- Section 512 of the Copyright Act creates conditional safe harbors for responsible online platforms that limited liability for copyright infringement, which allows platforms to **flourish with legal certainty and clarity.**

The Safe Harbor Enable Innovation

Online platforms have **enabled massive growth and opportunities for creators and innovators of all backgrounds.**

- Digital is currently driving growth in the content industry; it accounts for the majority of music revenue, and movie-streaming services are growing at 28 percent and will exceed physical sales by 2018. Safe harbor laws protect the freedom of expression that allows this production to continue and thrive.
- U.S. consumers prefer online media and get an additional \$970 in value – called the ‘consumer surplus’- beyond what they pay to access it each year.

Safe harbor laws keep market entry costs low for startups. If digital content intermediaries were responsible for the content uploaded by users, 81-85 percent of investors would be less likely to help fuel the innovation engine that is the U.S. startup community.

¹Engine Study & Booz Study ²<http://engine.is/wp-content/uploads/enginefifthcopyrightreport.pdf> ³Section 230 specifically excludes intellectual property infringement. ⁴PwC, ‘Global entertainment & media outlook 2014-2018’, 2015, <http://goo.gl/APtAMh> ⁵(Floor64, ‘The Sky is Rising’, 2012, <https://goo.gl/0TF1BV>) ⁶(BCG, Follow the Surplus; 2013, <https://goo.gl/m7CmNT>) ⁷(BCG, Follow the Surplus; 2013, <https://goo.gl/m7CmNT>)

