

Honorable Nancy P. Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, DC 20515

Honorable Kevin O. McCarthy
House Minority Leader
2468 Rayburn House Office Building
Washington, DC 20515

October 12, 2021

Dear Madame Speaker Pelosi and Minority Leader McCarthy,

On September 15th you received a letter from several former defense and intelligence officials with financial and other direct ties to Big Tech companies asserting that antitrust actions against Big Tech, including those currently being considered by Congress, could undermine American innovation and national security. They claim that in order to compete with China, our government should protect our domestic monopolists, legitimizing them as state-supported national champions. Such an approach would be dangerous and counterproductive.

Their argument relied on three faulty assumptions:

1. That monopolies will look out for, rather than undermine, America's national security;
2. That monopolies foster innovation; and
3. That monopolies facilitate security better than open markets.

First, monopolists virtually never prioritize national security. They make decisions in the interest of their shareholders. Big Tech CEO's have repeatedly prostrated themselves before Chinese leadership in pursuit of China's markets. Facebook CEO Mark Zuckerberg [provides several examples](#), from asking Chinese President Xi Jinping to name his daughter to facilitating the development of a tool that would help Beijing censor Facebook.

It's not just Facebook. Microsoft, Apple, and Google [have all sought the favor of](#) the Chinese regime at one time or another, in service to their shareholders. Other tech companies [helped China build out](#) its draconian surveillance regime.

Apple has manufactured the majority of their products in China since 2001 with CEO Tim Cook committing to fostering positive relationships with Chinese officials by making many trips to meet with leaders. Apple also has a strict limit on the Chinese App Store and Tim Cook himself has influence on requested approvals. The rank of social responsibility the company holds in the eyes of the government has risen [from 141 in 2016 to 30 in 2020](#), proving that their impact has only grown over time. They are not the only company making moves like this, but they are one of the biggest offenders.

Even though their search engine is banned in the country, Google's presence has only grown over time. Their CEO, Sundar Pichai, has attended state-run gatherings and worked with the government to create a censored version of the search engine. This version of the search engine did not launch only because it received pushback from employees and human rights groups. Google has even gone as far to hire Chinese employees and created a non-profit, in partnership with IBM, that aided the Chinese government's surveillance of millions of its citizens. For a company whose service is not available in China, they sure have a lot of business there.

In recent years Amazon has continued to build out its Chinese marketplace at the risk of being involved with a company connected to the genocide of the Uighurs. [Amazon purchased 1,500 cameras from Dahua](#), a firm the U.S. Department of Commerce placed on blacklist for using AI to provide information on Uighurs to the Chinese government. Amazon has also lobbied against bills that protect U.S. customers from purchasing counterfeit goods on their site. Additionally, an [Australian report in 2020](#) found that Amazon was using forced labor in China. Amazon's complacency with complicity is alarming.

Relying on large monopoly corporations to act in the best interest of national security is futile and goes against their very legal and operational foundations. Exxon CEO Lee Raymond [captured this reality](#) when talking about his company: "I'm not a U.S. company and I don't make decisions based on what's good for the U.S."

Second, monopolies do not foster innovation or improve national security.

Our tech monopolies are impeding innovation, which has created national security risk. For example, TikTok, the Chinese based app that worries everyone from members of congress to military leadership, wouldn't exist if Facebook hadn't used its monopoly position to kill a U.S. born video sharing app, Vine, and then failed to fill the void, leaving it open for years until TikTok bought more than a billion dollars of Facebook ads to capture the video-sharing market. More than \$5 billion revenue has come from Chinese advertising on the platform, including state sponsored propaganda.

Representatives David Cicilline (D-RI) and Ken Buck (R-CO) of the House Antitrust Subcommittee [both rejected this argument. They noted in Axios](#) the fact that competition drives innovation, and through their 16-month investigation of dominant tech firms, that these monopolists use their market power to crush new entrants. As National Security Advisor Jake Sullivan recently made clear, [this lack of competition erodes our competitive advantage](#).

On a more basic level, U.S. will never be able to out-compete China on market size and numbers. China will always be able to structure monopolies with a built-in customer base of one billion plus people. With its authoritarian government, the Chinese state will direct their research and production, and help them undercut foreign firms. America's asymmetric advantage is its ability to foster innovation and creativity through competition and open markets. Supporting Big Tech monopolists undermines that advantage and leaves us competing with China on market size and the ability of our government to direct our corporations. That is a competition we can never and should never win.

Finally, monopolies not only pool resources, they pool risk. Putting all of our eggs into a couple of baskets creates significant targets and vulnerabilities.

The threat of Chinese hacking on Big Tech companies is so great that the FBI has had to warn companies to arm themselves to protect against espionage. Companies have been tipped off that China and Russia are attempting to turn Big Tech employees into spies to be able to [steal proprietary information](#). The FBI warns that data theft of Silicon Valley companies is a common occurrence for people that have been threatened and just want to protect their families. Without more severe action, Chinese and Russian spies may continue to harvest data in more dangerous ways than we can even begin to imagine.

Big Tech is not here to help national security or the public interest, but to maintain monopoly rents and market power. It is codified in their corporate structure and law. It is the government's job to protect our national security, not Mark Zuckerberg's.

To that end, we encourage Congress and the executive branch to act swiftly against the risk these dominant firms present to our core security interests.

Sincerely,

American Economic Liberties Project
Center for Digital Democracy
Demand Progress
Public Citizen
Revolving Door Project