

This morning, Axios reported that a bevy of former intelligence and national security officials are claiming that Big Tech antitrust efforts could damage the United States in our race for global technological advancement, specifically against China. What is left out of the Axios report is that a significant number of the 12 former officials have established or potential financial ties to Big Tech and much of the substance of the letter mirrors industry talking points.

### Former Intel Officials' Tech Ties:

- Dan Coats, Senior Policy Adviser, King & Spalding. Google is a client of King & Spalding. The firm also represented Google before the House Subcommittee on Antitrust investigation.
- Admiral James Foggo III, Fellow, Center for European Policy Analysis (CEPA).
   CEPA receives funding from Google.
- Susan M. Gordon, Consultant, Center for a New American Security (CNAS), Board Member, Pallas Advisors. CNAS is funded by Amazon and Google. Pallas has a technology venture capital fund.
- **Robert Cardillo**, President, The Cardillo Group. Members and strategic partners include Amazon Web Services.
- **Leon E. Panetta**, Senior Counselor, Beacon Global Strategies. Does not disclose funding sources.
  - Michael Allen, a managing director for Beacon, is a Commissioner of CSIS.
     Google and Apple are both funders of CSIS.
- Frances Townsend, Advisory Board Member, Beacon Global Strategies. Does
  not disclose funding sources. Townsend serves as a Trustee of CSIS. Google and
  Apple are both funders of CSIS.
- **Michael Morell**, Senior Counselor, Beacon Global Strategies. Does not disclose funding sources.
- **Dr. Michael Vickers**, Advisory Board Member, Beacon Global Strategies. Does not disclose funding sources.
- Admiral James "Sandy" Winnefeld Jr., Advisory Board Member, Beacon Global Strategies. Does not disclose funding sources.
- John D. Negroponte, Vice Chairman, McLarty Associates. Does not disclose a full list of clients. Negroponte also serves as Chairman Emeritus of the Council of the Americas/Americas Society. Google, AWS, and Apple are all funders of COA/AS
- Richard H. Ledgett Jr., Senior Visiting Fellow, MITRE. Does not disclose a full list of clients.
- Vice Admiral Jan E. Tighe, Board Member, MITRE. Does not disclose a full list of clients.



# **Key Language from the Letter:**

Letter: "The U.S. should adopt policies to ensure we can lead in research and development (R&D), innovation, standards setting, and secure production and supply. Yet just as competition with China enters a critical phase, Congress risks undermining America's key advantage vis-à-vis China by pursuing domestic legislation that threatens to impede U.S. companies and their ability to pursue such innovation. We believe more deliberate analysis is needed to examine the detrimental impact these bills could have on our strategic competition with China. Congress should not proceed with current legislative proposals before understanding the full range of potential consequences. At the very least, legislation intended to ban new acquisitions and force break-ups of some of the largest U.S. tech companies – and, in particular, those focused on consumer markets – deserves more study. Provisions in these bills that target a narrow group of U.S. companies without requiring similar oversight of Chinese tech giants such as Huawei, Tencent, Baidu, and Alibaba would place these already formidable competitors in a better position to assume global preeminence."

## **Similar Statements from Big Tech:**

- <u>CCIA Letter</u>: "We request that the Judiciary Committee refrain from holding a
  markup on these bills until after it holds legislative hearings on each bill to ensure
  that academics, experts, and the general public are provided with an opportunity
  to provide comment and analysis on these bills.
- Sundar Pichai (testimony): Another way we contribute is by making deep technology investments in America's future. Every year, we are among the world's biggest investors in research and development. At the end of 2019, our R&D spend had increased almost 10 times over 10 years, from \$2.8 billion to \$26 billion. We've invested over \$90 billion over the last 5 years. Through these investments, our teams of engineers are helping America solidify its position as the global leader in emerging technologies like artificial intelligence, self-driving cars, and quantum computing. For example, last fall, our team of researchers based here in the U.S. was the race to reach a quantum computing milestone, a discovery that could eventually lead to new breakthroughs in medicine and more efficient batteries. Just as American leadership in these areas is not inevitable, we know Google's continued success is not guaranteed. Google operates in highly competitive and dynamic global markets."
- Mark Zuckerberg (testimony): "China is building its own version of the internet focused on very different ideas, and they are exporting their vision to other countries. As Congress and other stakeholders consider how antitrust laws support competition in the U.S., I believe it's important to maintain the core values



- of openness and fairness that have made America's digital economy a force for empowerment and opportunity here and around the world."
- <u>Sheryl Sandberg</u> (interview): "[W]hile people are concerned with the size and power of tech companies, there's also a concern in the United States with the size and power of Chinese companies, and the realization that these companies are not going to be broken up."

#### **Tom Wheeler Debunks Letter's Argument:**

- Tom Wheeler: China's new regulation of platforms: a message for American policymakers: Google CEO Sundar Pichai has promoted the supposed national security argument against regulation. He told CNN, "I worry that if you regulate for the sake of regulating, it has lots of unintended consequences...[including] implications for our national security." Of course, no one advocating for oversight of digital platform companies has suggested regulation simply "for the sake of regulation," but for the protection of consumers and marketplace competition. And the fact-of-the-matter is that a competitive marketplace drives innovation (and national security) better than a monopoly.
- Tom Wheeler: Digital competition with China starts with competition at home: America's dominant tech companies have seized upon the competition with China as a rationale for why their behavior should not be subject to regulatory oversight that would, among other things, promote competition. "China doesn't regulate its companies" has become a go-to policy response. When coupled with "of course, we support regulation, but it must be responsible regulation," it throws up a smokescreen that allows the dominant tech companies to make the rules governing their marketplace behavior. Currently, the American digital marketplace is not competitive. A handful of companies command the marketplace by hoarding the data asset others need to compete. As innovative as America's tech giants may be, they represent a bottleneck that starves independent innovators of the mother's milk of digital competition. If America is to out-innovate China, then American innovators need access to the essential data asset required for that innovation.

# Mike Davis Debunks Big Tech's Gaslighting on Antitrust and National Security:

• "On behalf of the rest of the conservative movement, however, we say this to them: you may not want to bite the hand that feeds you but, in so doing, you are in reality failing to bite the hand that's starving us all. You see, Big Tech companies are not our friends. They censor conservatives, they interfere in our democratic



- elections, and they push woke "right think" on us under the guise of their so-called "content moderation" policies. More importantly, Big Tech companies are not even America's friends." Substack, 8/31/2021
- "In truth, Big Tech's argument is a fallacy because it is based on a sneaky assumption: namely the assumption that Big Tech platforms are on Team America in the first instance...It's time for conservatives to have an honest conversation about Big Tech. And this conversation must be grounded in reality. If the past is prologue, Big Tech is not on Team America when it comes to our national security -- and likely never will be. What happens when there's another Republican president in the White House for whom none of Google's woke employees voted? This is why we need competitors to Big Tech that will honor their contracts with the Pentagon and stand firm for American values at home and abroad, not undermine American values in collusion with the CCP. Antitrust is the key to unlocking this competition." Substack, 8/31/2021

IAP is a nonprofit conservative advocacy group that holds Big Tech accountable for engaging in egregious business practices like snooping, spying, political bias against conservatives, employee abuses and anticompetitive conduct. Davis previously served as Chief Counsel for Nominations to Chairman Chuck Grassley (R-Iowa) on the United States Senate Committee on the Judiciary and led the Senate confirmation of Justice Brett Kavanaugh and a record number of circuit court judges. More information on Davis and IAP can be found <a href="here">here</a>.

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