

Why it matters to startups:

A common misconception is that Section 230 is only relevant for large social media companies, but the law is crucial for any company that hosts content created by users—including websites with comment sections, apps that let users share messages, photo storage services, and websites that let users rate and review products they've bought. Thanks to Section 230,



Key takeaways:

- Content moderation is difficult for all companies that host user-generated content, especially for startups, which can't afford to hire thousands of content moderators or build expensive filtering tools.
- Section 230 allows Internet companies to relatively quickly and inexpensively resolve lawsuits over content created by their users. Without it, platforms could easily be bankrupted by lawsuits, or even threats of lawsuits.
- Most complaints about online content deal with lawful speech and can't easily be solved by amending Section 230. Instead, many proposed reforms would use the threat of private lawsuits to pressure companies into moderating content differently.

Internet companies of all sizes are able to host and moderate their users' content

at their discretion without the fear of being held legally liable for what users say or share. And it's startups that stand to lose the most if the law is carelessly changed. A small, new company that hosts user content won't be able to get investment, get off the ground, and grow its business if it has to constantly be prepared to face costly, time-consuming lawsuits over the content its users post. And unlike the largest tech companies, startups do not have the time and resources to hire thousands of people or build expensive and ultimately imperfect tools to monitor what their users share.

What policymakers can do:

Policymakers understandably want to address concerns about problematic content that spreads online, especially when online content leads to real world harms. But amending Section 230 could make it harder for smaller and new Internet companies to launch and compete. Content moderation is incredibly difficult, even for the world's largest companies. There are no silver bullet solutions, including technological solutions. Changing the liability framework for companies that host user-generated content, in a reactionary or politically motivated way without recognizing these realities, will just make it more difficult for new and small companies to operate.

Recent reform proposals, by contrast, reflect conflicting frustrations and reactions to what some of the world's largest companies are doing. Many lawmakers say companies aren't doing enough to remove problematic content—including illegal content, hate speech, and misinformation and disinformation, especially around U.S. elections and the pandemic. At the same time, some lawmakers accuse companies of removing or restricting access to too much content, a charge often made by Republican officials who say tech companies are biased against conservative viewpoints. Carelessly amending 230 would not address many, if any, of those complaints, and it would have far reaching impacts that would ultimately harm startups the most.

Startup Spotlight on Section 230

Fiskkit

(San Francisco, CA)

John Pettus, Founder and CEO

[Fiskkit](#) is an online media site that encourages civility, critical thinking, and fact-checking

"Section 230 of the Communications Decency Act is the rock on which all websites that deal in user-generated content are built—they would not exist if people could sue companies for whatever their users put online. ...We require everyone to sign up through a social network account to prove they are a real person, and we remove people after repeated bad behavior, but we will need lots of funding to scale up those protections as we grow."