

# Section 230

## Why it matters to startups:



Section 230 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. Under the law, 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. 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.

### Key takeaways:

- Startups need to be able to create online spaces that are useful, relevant, and welcoming to their users.
- 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.
- Many of the proposed reforms—especially dealing with lawful speech—would use the threat of private lawsuits to pressure companies into moderating content differently.

## 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, leading to fewer places for users to gather online. Content moderation is incredibly difficult, even for the world’s largest companies. There are no silver bullet solutions to quickly finding and removing the user content a company doesn't want to host, including technological solutions, which are inherently imperfect and expensive to build and maintain.

Additionally, companies face competing pressures over what content should be removed. Some lawmakers accuse companies of removing too much and have proposed requiring that Internet companies host certain content, despite the fact that Internet companies have rights to moderate content—not obligations to host content—under the First Amendment. At the same time, many lawmakers say companies aren’t doing enough to remove or suppress problematic content—including illegal content as well as First Amendment-protected speech like misinformation. Given the practical and legal realities, most reforms to Section 230 wouldn’t change the ability of a company to host, moderate, sort, amplify, or demote content, but they would create opportunities for lawsuits or even threats of lawsuits that would be ruinous for startups.

### Startup Spotlight

#### Event Vesta

(Omaha, NE)

Andrew Prystai, CEO & Co-Founder

Event Vesta is an event discovery and promotion platform.

“We would definitely prefer to see Section 230 not change.... [I]f the law were to change, it would cause a lot of angst and unnecessary cost, which we don’t have the resources to handle.... [Policy changes regarding algorithms] would be a setback if our ability to tailor content to our users was hindered.... [N]ot having the ability to build a more sophisticated algorithm would be a massive hindrance to our long term ability to grow.”