



Why Does Big Labor Support the Stop Online Piracy Act?

It does seem odd that given the safeguards supposedly established by SOPA, so many online organizations — Facebook, Google, Yahoo, Reddit, and YouTube — have aligned themselves against the measure and are actively working to prevent its passage.

Perhaps these information-age giants are onto something. Perhaps they understand that by granting the government the power to pull the plug on any one of these websites at any time without warning, SOPA is a persuasive disincentive to investment and thus to corporate growth and survival.



SOPA, [H.R. 3261](#), was introduced into the House of Representatives on October 26, 2011 by Congressman Lamar Smith (R-Texas) along with 12 co-sponsors (as of December 16, 2011, there are 31 co-sponsors signed onto the bill). The bill, which endows the federal government with a broad array of powers over Internet content and activity, is now before the House Judiciary Committee for consideration.

The economic threat posed by SOPA's passage is so widely perceived as to justify the raising of the warning voice.

A [thorough analysis of the bill published by eWeek](#) magazine explained:

The language of SOPA is so broad, the rules so unconnected to the reality of Internet technology and the penalties so disconnected from the alleged crimes that this bill could effectively kill e-commerce or even normal Internet use. The bill also has grave implications for existing U.S., foreign and international laws and is sure to spend decades in court challenges.

What follows is a survey of a few opinions of well-regarded businessmen, lawyers, laymen, and journalists, all of whom point to potential problems contained within the various provisions of SOPA.

Writing just weeks after Representative Smith presented SOPA to the Congress, noted venture capitalist Fred Wilson [wrote a blog post](#) outlining a few of the ways SOPA will discourage Internet start-ups from taking off:

Big companies ... can afford to defend themselves from litigious content companies. But three person startups cannot. And Facebook, Twitter, and YouTube were three person startups not so long ago. If they had not had the protection of the safe harbors of the DMCA, they could have been litigated out of business before they even had a chance to grow and develop into the powerhouses they have become. And venture capitalists will think more than twice about putting \$3mm of early stage capital into startups if they know that the vast majority of the funds will go to pay lawyers to defend the companies instead of to hire engineers to create and build product.

In November of 2011, an impressive roster of law professors [penned an open letter](#) to the House of Representatives setting forth the legal and constitutional implications of enactment of SOPA. These legal scholars wrote:



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SOPA is a dangerous bill. It threatens the most vibrant sector of our economy — Internet commerce. It is directly at odds with the United States' foreign policy of Internet openness, a fact that repressive regimes will seize upon to justify their censorship of the Internet. And it violates the First Amendment.

Even the Vice-President of the United States, [Joe Biden, recognizes](#) the business-crushing iron fist inside the velvet glove of protection of intellectual property:

The digital marketplace of ideas that welcomes every blog and tweet is the same one that inspires the next generation of innovators to fuel our economies. And when businesses consider investing in a country with a poor record on Internet freedom, and they know that their website could be shut down suddenly, their transactions monitored, their staffs harassed, they'll look for opportunities elsewhere.

The online journal *The Hill* [cleverly described](#) the obvious downside of fighting piracy by abolishing freedom: "SOPA is the equivalent of curing a headache with a guillotine. It may stop piracy, but it would shut down our economy and unconstitutionally erode our most basic freedoms in the process."

Edward J. Black is the President and CEO of the Computer and Communications Industry Association. In an [op-ed posted on Huffington Post](#) entitled, "Will U.S. Harm Its Economy, Security With Myopic IP Bills?" he cited several serious problems with SOPA, including the economic devastation sure to follow its enactment:

From an economic standpoint, the proposed legislation promises to saddle one of the U.S.'s most internationally competitive economic sectors with significant legal risk and a massive number of lawsuits — seriously hampering growth ... and investment.

Larry Downes, the Senior Adjunct Fellow at TechFreedom, a non-profit, non-partisan, libertarian technology policy think tank, [published his review](#) of the legislation one day after its introduction by Representative Smith:

SOPA, regrettably, represents a big step backward in Washington's efforts to support the digital revolution, one of the only sectors of the economy that continues to grow. A bill that was supposed to target the "worst of the worst" foreign websites committing blatant and systemic copyright and trademark infringement has morphed inexplicably into an unrestricted hunting license for media companies to harass anyone — foreign or domestic — who questions their timetable for digital transformation.

Also in November, a coalition of high-profile web leaders (including representatives of Google, Facebook, Twitter, and Yahoo) [sent a letter](#) to members of the House Judiciary Committee explaining their own opposition to SOPA and the devastation it could cause on the thriving tech sector:

We support the bills' stated goals — providing additional enforcement tools to combat foreign "rogue" websites that are dedicated to copyright infringement or counterfeiting. Unfortunately, the bills as drafted would expose law-abiding U.S. Internet and technology companies to new uncertain liabilities, private rights of action, and technology mandates that would require monitoring of web sites. We are concerned that these measures pose a serious risk to our industry's continued track record of innovation and job-creation, as well as to our Nation's cybersecurity. We cannot support these bills as written and ask that you consider more targeted ways to combat foreign "rogue" websites dedicated to copyright infringement and trademark counterfeiting, while preserving the innovation and dynamism that has made the Internet such an



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important driver of economic growth and job creation.

So, in light of the weight of the foregoing evidence of the economic hardship and disincentive to innovation that would follow enactment of SOPA (or any similar bill), why would Big Labor — the AFL-CIO, Teamsters Union, and the International Brotherhood of Electrical Workers— be so anxious to throw their substantial financial resources behind passage of SOPA?

Is not the elimination of jobs contrary to the purported *raison d'être* of any organization which claims to be a watchman on the tower, protecting workers and their jobs from elimination?

As the bill currently sits in committee awaiting consideration and mark-up, there is yet ample time for the American public already weary of government actions which have crippled the once mighty economic well-being of this republic to contact their elected federal representatives and encourage them to thwart this latest assault on free enterprise.



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