

MEMORANDUM

From: advisor to the VP for Governmental Relations at Facebook

To: VP for Governmental Relations at Facebook

SUBJECT: Strategies for Government Relations in US and EU

DATE: 10/31/2022

Key Objectives

With largest customer base, control pool of data, artificial intelligence, large investment across multiple fields, Facebook is among one of five American most giant corporations (MAAMA)ⁱ, including Alphabet, Amazon, Apple, Meta and Microsoft, which not only guarantees it with lucrative profit, but also empowers it with significant influence on broad range of social discourse. The key objective of Facebook is to realize profit maximization, which may require innovation and good public image. Therefore, Facebook might need to deploy strategies to build collaborative relationship with government and shape a public image featuring technology advancement and self-regulation.

Constraints and Opportunities on Policy and Strategic Choice

Primary constraint is imposed by the current public opinion, and the strong opposition coalition formed by the activists and subcommittees based on bipartisan agreement. The Facebook file exposed by WSJⁱⁱ and accusation made by Frances, former employee of Facebook on the platform association with the mental health issue of teenage girls, flourish of violent content, polarization fueled by engagement-

ranking algorithm, has triggered the “big tobacco moment” of the giant technology corporations. According to the “issue-attention-cycle” theory developed by Downs (2015)ⁱⁱⁱ, at the second stage of the cycle, public will experience “euphoric enthusiasm”, fantasizing all obstacles will be eliminated without a fundamental disordering of the society itself. Additionally, the sub-committee constituted by Sen. Amy Klobuchar (D-MN), Sen. Marsha Blackburn (R-TN), and Sen. Ed Markey (D-MA)^{iv}, has created a series of “focusing event” around the issue, including bringing Haugen to testify, to keep Facebook in the spotlight.

However, as Facebook is a powerful platform with three billion users, and strategic importance in international competition, the government tend to adopt light-touch policy. Also, the institution design in United States system is featuring self-reinforcing since it’s difficult to change the status-quo with the existence of multiple check points. On the contrary, the EU system are much more agile and responsive to the public opinion, and its action on the Mega may serve as a reference for other countries, referred as “Brussel Effects”.^v

Policy Preferences and Priorities

To show a collaborative attitude towards the cooperation with the government, Facebook may demand “more rules” from the congress to establish a partner relationship with the government in the marginalize areas of the company business.

For instance, to clarify on the issue of data portability. As mandated in the European General Data Protection Regulation (GDPR) and California Consumer Act (CPA)^{vi}, platforms are required to conform with a common framework for sharing user data among online service providers, left the concern of potential to expose user's identity without their concern unsolved. Facebook may ask government guidance on the issue regarding porting friend list from a social network where people can use pseudonyms.

In addition, with the emerging of technology favoring decentralized trend, such as blockchain, deep-learning and decentralized finance (Defi) are featuring using the technology itself to build trust among agents and realizing the self-regulation to some extent. For instance, Facebook may continue to brand its metaverse^{vii}, and embed the innovative tools for democracy, such as voting mechanism embracing the pluralism and equity.

Political Strategies

First, to build a balance force against the opposition coalition led by sub-committee and Frances Haugen, Facebook need its own coalition and interest group based on same ideology. The Alliance^{viii}, funded by American Edge, an advocacy group founded by Facebook is an effective attempt to build grass-roots groups to voice out its concern: "Instead of attacking these digital platforms, we need to work with these companies toward innovation and access for our businesses to survive,"

However, as identified by Scott (2017)^{ix}, this behavior may be accused of being “astroturfing”, and may bring real damage to the public image. Therefore, Facebook may need to find the organizations and interest group with existing ground and ideology supporting technology’s effectiveness in self-regulation and favoring market self-correction rather than government intervention and tout them with the Facebook proposal to solve the current problem to build allies for a grass-root movement representing the whole industry, instead of founding a new organization fighting for the interest of Facebook alone.

Secondly, Facebook need to build coalition within the government, which may need to break the unity of two party on more strict restrictions. For instance, Facebook may approach figures such as Sandberg^x, who steer the conversation to a pet topic by asking whether Facebook is interested in helping his personal Lean In foundation.

With its ability of processing and utilizing online information, Facebook has the potential to support lots of personal projects, which may be used as tools to build coalition within the government. Filtering officials who are protecting the interest of large corporations and not against the ideology of self-regulation fundamentally, Facebook may reach out to Republicans such as Donald Trump, who recently publish his own Non-fungible Tokens (NFTs)^{xi} to seek for the support of integrating the metaverse, cryptocurrency and web3 into the system.

Lastly, Facebook need to rebuild its public image. Most importantly, it needs to show willingness to serve as a safeguard for public interest in authentic attitude of collaboration, by promoting the designing of civic rules regarding the online space. As for the revealing of algorithm and third-party audit, Facebook may consider defending its interest by stating the limitation of government, which is essentially formed by humans, who suffering from subjectivity and limit learning ability. With open and readable algorithm, Facebook may reframe it as a platform using digital governance and allow public to discuss the moral principle that should be written in algorithms. Similarly, Facebook may adopt zero-knowledge proof^{xii} and quantum differentiation^{xiii} as innovative mechanism to allow technology itself to protect the data privacy. Also, it may emphasize technology importance in international competition to stimulate the nationalism feelings among public in a subtle method.

Recommendations

Although Facebook need to face the judging of “big tobacco moment” in technology corporations, it has several opportunists as one of the most powerful platforms. This paper concludes on to realize the profit maximization, it need to cooperate with government and serve as a safeguard for public interest, which can be achieved by grass-root movement, build coalition with government officials, and reframe its public image.

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