

[Transcript] The Realignment / 356 | Inside the TikTok Ban/Forced Sale Debate with Adam Kovacevich

Marshall here. Welcome back to The Re-alignment.

Today's episode is a follow-up to last week's TikTok congressional hearings.

Do I see it? The camps are pretty set right now.

You have almost the entire right slash Republican Party firmly opposed to the status quo.

And then at the other end of the spectrum, you have the left end of the Democratic Party represented by representatives, AOC, and Jubal Bowman, who are firmly opposed to a ban of TikTok or a forced sale from ByteDance to an American company.

That leaves the center-left up for grabs in terms of what happens next, both in Congress and the Biden White House.

With that in mind, I spoke with Adam Kovacevich, founder and CEO of the Chamber of Progress, the main center-left industry group for the tech industry.

Looking at the TikTok issue from this perspective, I think we'll help guide what the next steps look like, though Adam is pretty firm in believing that the congressional hearings, while entertaining and oftentimes insightful, slash depressing at other times, the main action is going to come from the Biden administration and the siphious process that we get into during the discussion. And I just want to give a quick shout out in case you missed it.

Saga and I released our latest AMI episode for our Supercast subscribers last Friday.

There was a preview put up, but if you'd like the full Q&A discussion, you can go to realignment.supercast.com or click the link at the top of our show notes. Hope you all enjoy the episode.

And thank you to Link and Never for supporting the podcast.

Adam Kovacevich, welcome to the realignment.

Thanks for having me.

Yeah, I'm really glad to talk with you.

We'll obviously get into the post-op on the TikTok hearing, but I'd like to start with something around ideology because this podcast is called the realignment.

So something we're focused on here is how our various movements, institutions, individuals, thinking about the problems of the day, you describe your work and the broader work of the Chamber of Progress as like center left progressive in that sense.

And I was mentioning this to you for the recording, but I know what the populist right position on tech is. These platforms are too big.

They have too much power and we use said power to discriminate against conservative view conservative viewpoints.

If you are on the pop this left, your position is that these platforms are once again, very big, but of course, you theory there, but also that they use their power to really swing like economic impacts in ways that are obviously very disparate towards like working people.

I know what the center right Chamber of Commerce position is, which is basically, yes, like there may be some like censorship of conservatives, but these platforms are key to the American economy.

And this, this, this, this and that economic growth, I don't know.

And what I'd love to hear you kind of articulate here is like, what is the center left position on technology and these broader platforms?

Sure. The way that I like to think about it is I like to sort of break down the democratic

electorate views on tech as an industry into three categories.

The first, I almost think of a sort like kind of latte liberal, you might even call it a sort of a left populist view, which is generally of the view that with bringing a lot of suspicion about what tech is doing, very nervous about what tech services are doing, sort of starting with a default presumption that maybe tech services are acting in a predatory way, doing a lot of stuff kind of in the background against the wishes of the users in ways that harm the users and sort of starting from that position. And I would say that most of the noise in terms of support for maximalist tech regulation comes from what you call a populist left.

And but I don't think it's actually more than about a third of the democratic vote, the electorate. The second group I sort of think of as the tech convenience voters and these folks are folks who generally live in metro areas, inner ring suburbs. They're largely represented in Congress and in the Senate by Democrats. They are socially progressive, but they don't hate companies. They use Uber and Lyft and DoorDash and Amazon Prime. And one of the reasons, by the way, they don't hate companies is many of them work for companies. And those conveniences make their lives a lot easier. They don't they're not free marketeers just to be clear, because I think that they do favor some kind of regulation to prevent abuses and things like that, but they're driven by convenience. And because they're convenience voters, they're generally happy, they don't show up at City Hall or hearings. The last group I was sort of think of as the tech jobs voter. So think about folks living in Fresno or Stockton or Bronx or Queens Buffalo, who would love to see more tech related jobs and opportunity come their way. Maybe the closest they get to that now is say an Amazon warehouse job or an Uber or Lyft driving job, but they're not anti technology. They just like more of those economic benefits for them, understandably so. So they get really annoyed when the populist left sort of speaks for them. And so our thesis as an organization is that that second group in the third group, the convenience voters and the tech jobs voters among Democrats are actually about two thirds of the Democratic electorate. And that because they're either satisfied or busy, they don't speak up. And so that's kind of the general thesis behind a lot of our work. Okay, I'm glad you mentioned Queens, because it brings to mind a dated but useful way of understanding how these coalitions work. So when I hear Queens and

I hear tech and I hear jobs, especially in the last category, think of like HQ two with Amazon, obviously, which was really controversial. This was a big 2018 2019 thing. How did the dynamics you just articulated play out in the fight over whether or not Amazon would locate there, which obviously ended in Amazon, not locating a lot of like local political support, throw away, articulate that situation to the story you just told.

Well, I'll be honest, I don't know enough about who the coalition, the oppositional coalition was, but I suspect that a large part of it was coming from outside the immediate area where HQ two was supposed to be. And some of it coming from, you know, Manhattan Democrats, right, who tended to be more kind of the populist for the tech skeptical steps, tech skeptical category, and who decided kind of, you know, that, that having Amazon there was too much for a, you know, for a big company like that. And so, you know, and against, against maybe some of the wishes of, of those in Queens who would benefit it from it. Now it's hard because if you look at something like HQ two, what you're largely talking about there are really middle management jobs, right, white collar jobs. So, you know, are those jobs, the types of things that would have, you know,

folks living in Queens would be able to, you know, apply for earned, I don't know, it really depends on kind of how that, how they would have, that would have unfolded. But I do think that, you know, that, that was an interesting debate about kind of the interests of folks who would like to see more tech jobs versus the folks, some of whom were outside the immediate area who just decided that no, that that shouldn't be what the state was doing. Okay, so then let's stick with the kind of, let's say three quadrants, but there's a thing as three quadrants, let's stick with the three groups that you described here. How did, how were those three coalitions reflected in the TikTok hearings that occurred last week? I love, you could also like introduce the hearings, explain the context, but I'd be really interested in understanding how like the, like broad center left to left really reacted and how it displayed itself in the actual testimony.

Well, so I think the TikTok issue is frankly, probably a little too new to be of much attention to voters yet for as much as all of us in kind of Washington and policy circles obsess about it. I don't think it's the kind of thing that has touched that many people directly. I do think there are debates, for example, the debate over gig work in California, right, where you had like the progressive legislature passing a law 85 that reclassified all independent contractors as gig, or gig workers as employees. And then when that question was then put to the voters of California, again, very blue state, voters in California voted against that mandate by 18 points. To me, that was a triumph of the, of the convenience voters and the job voters being not buying what the kind of the, the far left was selling on that topic.

I think on TikTok, frankly, it's hard for me to see the alliances yet because again, I think most voters aren't paying that much attention to it. And one of the things I'm interested in is I think when we talk about that in terms of a ban, all the people who love TikTok, understandably are upset. I think the conversation will inevitably instead go more to divestiture. And on that question, I'm not sure that many American users of TikTok care who owns TikTok. They don't feel strongly that it shouldn't be the Chinese necessarily, but they don't, they're just not going to go to the mat to preserve Chinese ownership of TikTok.

I think that's interesting because I think to your point also, and the reason why the TikTok issue makes this complicated, except from just the voter question, is the national security dynamics that are driving the conversation don't typically play into the three categories that you articulated with the Democratic Party. So if you're talking about a debate around gig workers or where jobs go, that just has nothing to do with a foreign policy national security dynamic. So it's just, it's injected a new issue into the debate. So I guess I agree.

Yeah. I agree with you. So for example, the thing that, the writing that got me more concerned about TikTok's Chinese ownership was really writing of center left by center left people like Matt Iglesias and Ezra Klein last year, who were writing really even more driven by the kind of the propaganda concern than the data privacy concern. But there's also people like Mark Warner, who I have a great respect for and as a pro innovation senator, who is also national security hawk. I do think that Democratic weariness about the topic probably reflected in some part a little bit of who the initial spokespeople for TikTok punishment.

Brendan Carr, who I think was right on a lot of things, is seen by some on the Democratic side as such an extreme partisan that a lot of Democrats, I think, would look at that and say, well, I'm not going to get on the Brendan Carr train. That's not what I'm about as a policymaker or politician. But I think seeing Mark Warner voice those concerns is a different thing for

a lot of Democrats. Yeah. Could you kind of track us through, not them saying you've evolved into something specific, but just track us through your thinking about the TikTok issue once it just comes to the forefront. So let's say it's, when would you have checked into just thinking about TikTok? Probably like 2018. It's another platform you're looking at. I mean, I'll be honest, I rewind even further than that because I spent a dozen years at Google when Google was first in China and then essentially decided to leave China when the Chinese government essentially stole the company's IP and source code. And when you look back on that now, my formative experience and politics was being kind of a new Democrat, generally free trader. And I definitely, like a lot of people, subscribe to the idea that trade with China was going to bring them closer to Western-style democracy. And that just turned out to be false. I mean, I don't mind saying like that was just wrong. I think that was the wrong view. It turned out to not be true at all. And I think it's okay. It's important for Democrats, particularly pro-trade Democrats, I mean, to look back on that and say that was wrong, right? They have actually taken, you know, they've benefited from access to our markets, but they haven't given us access to their markets. And I will say too that I think the Russian invasion of Ukraine last year and seeing what happened with RT Russia today was also a super interesting experience for me because, you know, I was viewed RT as kind of one of these like kind of silly, almost benign things. I'm like, why wouldn't anybody watch that? It's Russian propaganda. But then when the invasion happened, and essentially it was public pressure that led the cable companies in this country to take RT America off the airways, it wasn't government pressure. Gosh, I look back on that and I think,

I can't believe we allowed RT to operate in this country for as long as we did, right? And so, you know, I kind of feel the same way about TikTok. I concur that there is not this unbelievable wealth of evidence that the Chinese government has been using it, but I view it a little bit like the RT situation, just like why we would have never let the Soviet Union own a television station in the midst of the Cold War. Why would we give the Chinese government this opportunity? And so that's kind of, for me, the bigger concern. Yeah, no, I like the way you're setting this up, especially because to your earlier point, look, EOD, we're so early in this that you're not going to be able to tell a politician, well, ex-voters demand this. And frankly, on this issue, I think you end up looking slightly silly. I think when Ben Collins of NBC was tweeting about how Gen Z is going to revolt over a TikTok ban, like you just don't know that. I could see it going in a couple of different directions. So I want to stick with the practical. Could you offer policymakers and then frankly, just everyday voters who are listening a framework for thinking through these issues? So for example, to your Google and China point, an interesting question would be, okay, at a baseline level, is our expectation that it's going to be a one-way situation? We're okay with Google being banned in China, but TikTok obviously competing in the United States. Now, that could be okay or it could be not okay, but that's our current intellectual framework. It's our current intellectual paradigm. How do you think about that framework? Because I'm more interested in that than I'm interested in like a data privacy claim, which to your point, it's kind of difficult to prove. It's these framework theoretical questions that they are actually much more useful. So how would we think about the Google and China thing? Yeah, I think for some people, there's a fairness argument, right? Why should

we allow them, the Chinese access to our market when they've denied access to their market, particularly for services like Google and Snapchat and Facebook, right? That's been true forever. And so, you know, and, you know, Trump would talk a lot about this, like being taken for chumps, right? And kind of the global stage, I think that is part of it. I think a different lens is sort of this idea that China is not just another country, right? I think that was one of the things that was really interesting to me and even seeing some of the polling about how particularly younger people, especially younger Democrats, they don't, you know, they're not particularly concerned about China. Whereas older people, and I think maybe again, the polling more Republicans sort of seeing this, they were in this moment, which I agree with, which is essentially a fight of the world's democracies against the world's, you know, autocracies. And, and that's really important that we've been in that fight. The other thing, the way to think about it is that like, I just, you know, I fundamentally think this is where like, we, I see a lot of equivalences being drawn between like, oh, governments have all this access data and companies gather all this data. And, and the fact is like, in this country, we have a fourth amendment, we have due process, we have, you know, first amendment and China has not only has none of those things, but they conscript any Chinese own company and Chinese employees that companies into the surveillance state without any due process on the part of the user whatsoever, or the company. And so it's really interesting to me because I see these differences pretty strongly. But, but it's interesting to me that not everyone feels those differences as strongly and just sees it through the lens of, oh, well, this is a really popular app. And, you know, people are doing this because they're of sort of xenophobia. And I just, I just don't see it that way. How do you respond to the, and I want to say this, because I don't agree with this point of view, but I want to say it as fairly as possible. How do you respond to the, like, that's not who we are point of view in the sense that, like, you know, you're right, Adam, the Chinese are like an authoritarian, they have an authoritarian form of government, they're doing this, this and that, and these are all bad, like no disagreement. The answer is not for us to act accordingly or to buy into, and by the way, like, I don't think, I don't think it's a talk about as authoritarian in the same sense as the CCP obviously, but like there is something directional about it. There's something anti just like free play, anti markets, et cetera, et cetera, et cetera. How do you think about that? That's not how we are argument. Well, I think there's two versions of that. There's a kind of a more principled version that says it's kind of like what I was saying with the way that I used to be as a pretrader, which is sort of, you know, that we treat, if we treat China a certain way, it will inspire them to open up and become more democratic and treat our companies fairly. And you can have that kind of hope, right, that, that we don't want to just play their game. And I don't agree with that. I think there's so much evidence to counter that hope. But to the extent that that is your view about kind of trade with China and geopolitical relations, I think that's fine. The opposite is sort of just a nye of a te, right, which is I think just kind of like a not really paying attention to the way that China is engaged in information warfare and, you know, has already engaged in kind of propagand efforts. And so, you know, I would, I guess I would give the that's not who we are perspective, a little bit more credence if the person says, you know what, I take for granted, China is doing all of these bad things. Absolutely true. And yet I still think we should treat them better than, than they treat us, because that will lead to long term and opening of their markets.

Again, I don't think that's true, but I think that's at least based on more realistic, you know, at least at least some kind of realistic assessment to deny what China is up to a drawing false equivalents that part of me that that's, that's what I sort of just view as naive. I guess the thing for me, if it's difficult, just giving my pure biases here is because I'm a, you know, foreign policy first person in terms of my actual, my career, my focus is I just dismiss out of hand, the kind of what about is tool meta did this or Facebook did that, because it's just an entirely different category. Like I don't, I think we don't know much about data privacy, like at a policy level. I don't know what Facebook's done. I don't really know what like, let's say Snapchat's done. What I do know is that that debate is a separate debate than a debate over, which is to your point, basically, it's a trade argument. That's core, right? In terms of like, which platforms are allowed to do what and where, like, you know, Huawei is not allowed in the United States, that has nothing to do with what, let's say, like in a Huawei, but our decision not to allow like Huawei into our systems has nothing to do with what Apple does, because one's a natural security question. The other is kind of a domestic policy question. So can you just kind of, I don't know, like, can you just kind of push back on me? I don't, I'm agreeing here, but I want, because I just know that this argument is not as obvious to other people as it is to me. So I just want to, because once you're like, you're speaking of people about this, so help me understand that. Well, so it's interesting. So one of the things that I saw, a number of commentators and center left thinkers say last week was, you know, TikTok may be a problem, but essentially the, but, but policymakers are being too narrow in focusing on them. And instead we need a consumer privacy law. Congress needs to get serious about, about passing that, placing limits on what company, what data companies collect. And that was really interesting to me. And these are a lot of people who I often agree with. I do think we need a consumer privacy law. But one of the things that's interesting to me about this is that the consumer privacy law that's on the table was negotiated last year says nothing about US government access or Chinese government access. It limits what can be collected, but it places no limits on, on US government access to data, places no limit on, you know, the DOJ going to Apple and asking for a data on an iPhone user. And it also places no out, no limitations on what China can demand of its, you know, citizens who are working for a Chinese company. So I, it was interesting to me to see folks kind of go to that. I think that's kind of where TikTok was trying to steer some people commentators. I don't think it's do this, you know, do, do a consumer privacy law rather than correct. And we should have a consumer privacy law. But it was really interesting to me because I, maybe because it was for a lot of, it was from a lot of people who really had been pushing for a consumer privacy law and they worry that a focus on TikTok through this, TikTok through this national security lens might like set their issue to the side temporarily. I mean, perhaps that could be part of it. But I do, it is interesting to me to see the Rorschach test of reactions to this national security question, because there are clearly some who are, who sort of view it as overhyped. And, and that is just interesting to me. I don't think you can fundamentally change people's views. If they view something as a certain way, they're going to view, if they view it as overhyped, they're going to continue to view it as overhyped. But that, that's a super interesting to me. Wait, so if the current data privacy, let's say like status quo consensus, when it comes to legislation, doesn't focus on the domestic

or international national security points you're kind of referring to, they're like, what would this bill do then? Well, what generally, what most people talk about when they say we should have a consumer privacy law is they're talking about typically a law that places some limits on what kind of data services can collect from consumers or how that data is used. Some people say that, you know, targeted advertising ought to be banned or certain types of, you know, use of data for, say, health information ought to be banned. And that's generally what the contours of the debate. It also then looks at, okay, well, if someone's data is abused by a service, by a company, then either, you know, a lawsuit could be brought by either a private plaintiff or by a state actor, state attorney general of the Department of Government. That's really it. That's all that focuses on. It doesn't focus on government access. And so, you know, so, so I think maybe some people say, well, okay, if you can, if you can limit what a TikTok or an Instagram collects in the first place. So like keystrokes logging, so like hypothetically, you could say that apps can't log your keystrokes when you're not in the app. If you limit what they collect in the first place, then the data that the Chinese government might lean through TikTok would be less significant. I'm like, okay, well, I can sort of see that argument. I don't think that it all deals with the propaganda concern, which for me is the bigger issue. But I think that is to give a voice to the people who feel that way. I think that is their view.

I think the thing that's fascinating is, okay, so here's another question. Why I'm obsessed with the idea of just consensus and what actually makes things happen. And my kind of initial pushback to the AOCs of the world who are pushing for that broader data privacy framework

is, if it would have happened, it would have happened. That's just my general approach. That's my philosophical belief, which is that if there's this obvious thing which we all magically agree on, why hasn't it happened yet? So why hasn't it happened yet? So if there's a framework you're going to articulate here, why is it at the bottom of the land then?

I think the reason typically why it hasn't happened yet is because generally, Republicans want to make sure that a federal privacy law preempts all state privacy laws, including California, including things like Illinois biometrics law, some Democrats.

What's the biometrics law? So Illinois has really the first and most aggressive law in the country limiting biometric collection and use, collection of biometrics data.

Largely, it's been used to prosecute companies who, for example, require employees to submit to retina scans or fingerprint scans for like timekeeping services. There have been a whole host of settlements related to that law, some going after Facebook, for example.

But no, so that's part of it with the question of essentially whether we'll preempt and then the second has been a private right of action, which historically has been a...

Because this is so interesting. You're saying the Republican position is that they would want the federal privacy law to be above, obviously, and trying to say this in most layman's terms as possible to be above any state privacy wreck regimes. That's right.

That's kind of interesting because that kind of seems like an anti-federalism position.

I think it is. I think this is based... And frankly, I think that's one of the reasons why you have varying degrees of enthusiasm among Republicans for this idea. The other thing is that a lot of Democrats want a private right of action or right to sue privately, which historically, the U.S. Chamber of Commerce position was no way. I personally think that

Republican thinking on that topic evolved largely under Trump because Trump love lawsuits and sued people all the time. And so I think Republican orthodoxy, in opposed to private rights of action, has probably faded to some degree. There was a compromise on the table last year in the House that got pretty far, ran in some opposition from the California delegation and didn't have as much support among the Senate Democrats. Maybe it gets further this year. We'll see. I guess the point still stands then. The point stands is that... And this is where my frustration comes in, which is it's not as if there's this literal alternate data policy consensus that we're choosing not to do because we're focusing on TikTok. The way this actually would work in terms of how DC works, which I'd love to hear you just explain how the DC side of these debates just tends to operate, because once again, I know this more in the foreign policy context. But it seems to me that the way this would work in terms of Washington is we don't do anything on TikTok. We move on from this hearing. There is a bit of chatter about data privacy, and then we just kind of move on. Because at the end of the day, the bill that you just described has nothing to do with the core reality of what's actually driving the TikTok debate, which is the national security Cold War II component. So we could very easily move on from TikTok and then not obviously say, okay, what's scheduled about hearing to get a national data privacy consensus going. Is there anything like... I don't want to sound cynical, but I'm just trying to do the math here. It just doesn't make any sense to me. I think the reality is when something happens in the political world, I don't think a politician's response can ever be to do nothing. And so I think that we should have a comprehensive privacy law on the last week became the alternative go-to place for policymakers who didn't want to support a ban or even a divestiture of TikTok. The reality is that this question of a divestiture and ban is not going to be litigated in Congress. It'll be executed by CFIUS, the Interagency Task Force within the administration. It will live or die based on courts because there will be a court challenge almost certainly from TikTok. And Congress really won't be that much of a key player. So I viewed last week's hearing, frankly, as more of an interesting temperature check for where Congress was. Would TikTok have any success in having any defenders? It didn't have any defenders. It had a couple. The closest it got to defenders were certain policymakers saying, I think we should do a bigger approach, not just sort of a TikTok-specific approach. That probably from the perspective of TikTok's lobbying team was about as close to a win as they were going to get. Well, careful, Adam. You are a racing representative bowman. Republicans have no swag defense. It's a very, very key, which so funnily enough was actually like, you know, if I were putting on my PR hat, I actually would not want representatives making that argument because it seems to me that to the point of our beginning conversation, the swing votes, quote-unquote, are these like center left? Republicans are just lost on the TikTok issue in terms of like, there's nothing to be done to recover. But if you're the PR people who are running the stuff for TikTok, you know that the swing voters are the center left Democrats, which I think are probably going through the transformation or of a dynamic that you were describing with, this isn't where I wanted to end up.

I want to end up in a world where it's just, you know, it's flat and we're just trading, we're doing all these different things, but this thing is just in its own category and we have to make a difficult choice here. Representative Bowman making it so like third grade level partisan is generally not what you want to hear. You would actually want to hear something a little more consensus driven in that direction. Something I'd love to hear from you on a personal level especially is can you just walk me through how you and people in the tech industry who you speak with have really internalized the shift at an international level. So in the sense of like when you're talking at the start of your career, like when you're coming of age politically and obviously at your career level, it's tech is at the center of everything. It's the future. This era of globalization is by definition driven by technology because it flattens communication, it makes everything instantaneous, et cetera, et cetera, et cetera. The question is like, how quickly do we get into China versus how do we get into China at all? We're just the total opposite end of this. I was at an event with Rana Farooq of the Financial Times last week and she just said, look, I think TikTok is going to get banned at some point because we're just decoupling technologically. And just given that trend, she just fails to see a world where in five years, the status quo. So I guess that includes divestiture. But she just doesn't see the status quo existing in five years, giving international attention. So like, why does it like to be intact during this transition? It must be, I don't want to sound like melodramatic, but it just sounds terrible. Like an entire world view has been repeated. I think that's right. It's interesting, because I see varying degrees of kind of like realism in terms of the tech industry about reacting. And then you see some vestiges of kind of like 1990s Obama era kind of hope. And again, I was an Obama fan and voter, so I get that. I think that... So first of all, I think like tech as an industry had a very long political honeymoon in the United States, really going through the 90s through the Obama years. And I think when Trump got elected, some Democrats in particular, pivoted sharply negative against tech in a way that actually is not really consistent with, I think, where even most Democratic voters are, really interesting. Actually, just if you talk about domestic politics, Pew Research Center has done some interesting polling where they ask people, do you think X is a force for good in society? And on this question, do you think the tech industry is good for society? Democratic voter sentiment has stayed consistent at 58% for the last three years. So it's, you know, that's pretty positive, right? Yeah, given, you know, a sub 20 congressional ruroating, it's actually a more of a decent number. No, and tech is higher among a lot of Democrats than like small business, you know, church. And I'm a church going Democrat, so I think that's not interesting. But Republican sentiment in the United States has actually dropped 18 points in the last three years. And I think a lot of that is culture and Trump and Fox News. And so, you know, so, but so it's interesting to me because I think a lot of Democrats, Ron Ferruara is internalized that the Democratic voter sentiment is tech clashes, I think a lot of Democratic voters feel they really haven't. So I think the domestic front, actually, most Democratic voters are generally pretty happy with tech. They're, they're happy and they're quiet, they don't speak up, they don't tweet about it, right? On the global front, I think, you know, it's interesting because you have varying degrees of perspectives based on frankly, you know, look at like IBM or Microsoft, they can operate in China,

right? And so they'd like to kind of preserve the old way for as long as possible. But, you know, the Googles and the Facebooks were never really, I mean, for most of their existence, haven't been allowed to operate in China. Certainly new, you know, new companies haven't. And so I think there's something up, there's probably a little bit of a company generational gap and kind of how they view the Chinese relationship, whether there's anything there worth salvaging, or whether or not we just pivot, as I believe, into kind of a world where they're never going to be aligned with our way of the world. And so we ought to, you know, pursue a much stronger coalition of kind of the West in support of kind of, you know, open technology within the West, but we're never going to kind of align with the Chinese in there. So we're more more closed system approach. Something I'm curious about when you're looking at these issues, I'm really fascinated by this idea that some dynamics are permanent features of our politics. So for example, like, we are just never going to, we are like, I'm not going to say never, but we are likely to never reach the levels of institutional trust that we had, like let's say in the 50s, and Pre-Vietnam 1960s. That's just a story which every political person or institution, such as like your own, it's going to have to deal with. There are other categories of which I suspect and get the sense that the tech class is kind of part of this. They just might not be permanent features. Obviously a huge portion of the Democratic voting base, even the part of the voting base that is broadly pro-tech is going to be pissed off over how Facebook handled the 2016 election. That's just true. That said, I would not extrapolate that reality into let's say 2026, 2027, 2028. Think of how incredibly important the Microsoft Antitrust case was. And when was the last time anyone ever really talked about? No, that's not to say Microsoft was hunky during the 1990s. It's just to say that some things are permanent features. Some places aren't. Can you just reflect on what I'm kind of articulating here? Because I think there's some things that are permanent. There's some things that aren't. I'm curious what you think fit into those buckets. Well, the way I sort of think about it is, I think, again, I was sort of saying earlier, the tech had a long political honeymoon in this country where most politicians were kind of hands-off. And it was almost kind of like even the tech industry talking point was, you know, kind of leave this thing alone. And again, I think now in the last really, since Trump was elected, politicians of both parties have kind of taken, they're almost taken like a toning for their hands-off approach by throwing a bunch of ideas out there that seem like really great punishments to big tech, revoke Section 230, break up the companies, ban vertical integration, all these kinds of things. These sound great. But they're not really that popular in the sense of people aren't marching on Washington for these things. I think where tech policy and regulation is going is much more in the direction of where we, the way we regulate other industries, airlines, healthcare, et cetera, where you have some pretty broadly held consumer pain point that persists and which motivate, you know, a voter to say, write their congressperson and say, like, this is outrageous to me. I think about, you know, people writing their congressperson for 10 years about Medicare prescription drug, you know, negotiations, right? And that ended up happening right last year. There isn't anything in tech like that. And I think we will find the ideas that kind of become that are, that are so just common sense that they transcend party, right? I mean, I think of one of my favorite examples, 2008, there was a moment where all these airplanes were leaving

the gates at airports and people were getting stuck on the airport tarmac for like five hours with like no snacks, no water, couldn't go to the bathroom. And people who were flying that summer got pissed off and they put all this pressure on Congress to do something about it. The FAA ends up adopting a three hour tarmac rule. It worked, right? They didn't try to break up Delta Airlines. It didn't tax them. They just put in place the rule that made sense and pretty much like within the span of like weeks, it worked. I don't see a lot of ideas like that in tech policy right now where we're saying, okay, there's this pain point, we got to respond to it and we'll fix the problem instead we're still in that kind of era of almost like reacting to what policy makers felt was there to kind position towards tech for a long time. You know, that's so interesting because the, and also this gets to my frustration around the pain point point, which is that I know there are definitely listeners right now who are rapidly googling polling indicating that like actually privacy is a pain point. But I think a scale of what's necessary in politics is understanding the distinction between something that like, if you give me a poll, I'm going to say all sorts of things. But I just don't, outside of very specific examples, like to your point, the biometrics in Illinois, I struggle to see the privacy issues. Okay, perfect example, like, I have a relative who has sub 300 Twitter, Twitter followers who's desperately afraid of getting or supposedly is desperately afraid of getting like shadow banned and like news by Twitter pre on Musk, obviously, which on paper would suggest that there be this huge upswing of voters who are obsessed with like changing section 230 to affect that in some way. But like, that's not actually happening. It's not actually real. And that's why it's not an actual pain point. If there were an actual pain point, I think you'd see different political and actually it's kind of funny, because to your point, tick tock is the definition of something where there actually is a pain point. Actually, there's literal talk over of a conflict over Taiwan. Once again, that's not to say anyone specific response that is proper. But as soon as we are talking about a hot conflict with a great power, we're going to start talking about what our telecom relationships are like. So that's why that hearing is happening at a level which is not at the same level as that privacy hearing. So once again, I'm just kind of like throwing like first things I've like built up and frustrating reacted to. But yeah, we'd just love to hear your thought on that. Yeah, I mean, look, I mean, always, you know, there's a lot of organizations that can like generate emails and calls, you know, sort of synthetically to Congress. But what are the things that actually generate, you know, what are the things that actually spark genuine handwritten letters, you know, non scripted calls, those are the things that Congress should pay most attention to. I might disagree with you a little bit on TikTok though, because I don't think I don't think most people are fussed about it either way. They're not clamoring for Congress or the administration to do something and they're not really clamoring for Congress not to do something. It's in this interesting category of kind of, you know, national security. And again, I kind of equate it to like the way we dealt with RT prior to Russia invading, right? It was it's a national security question. We clearly have a national security stake in it. And it's okay for the you know, for the assessment of that to be conducted kind of purely through a national security lens. Frankly, that's always why we've had things like the SIFIUS process. You know, most companies that go through SIFIUS is the committee for foreign investment in the United States. And it's a inter agency process. You've got the Treasury Department, the State Department, Defense Department, NSA, FBI, all these different agencies. And what

they're trying to do is figure out whether, you know, a foreign country's investment in a U.S. company poses a national security threat and should on ought to be allowed. And, you know, see it really interesting to me because this hasn't gotten a lot of attention. There was precedent for dealing with something like TikTok. And the most recent precedent that I've been really fascinated by was how SIFIUS, this task force dealt with Grindr. So Grindr, the gay dating app, was acquired by a Chinese holding company. That acquisition went through SIFIUS review. There were people at the time who were raising a concern that this acquisition was going to give ultimately the Chinese government access to sensitive data about Americans, sexual orientation, HIV status, you know, again, perhaps people who were closeted, and that that was going to provide blackmail material, you know, against prominent Americans. And SIFIUS in the Trump administration

in 2020, in spring, went to Grindr's Chinese ownership company and said, you have to divest. You have to sell the app to a U.S. owner if you want to continue operating in the United States. One of the things that was really interesting to me about it, it was never announced. They never did a press release. It was only like a Reuters report that said that, you know, people familiar with the matter, which to me tells me that SIFIUS has kind of internalized that on matters like this, it actually helps the other country to save face. And so not having a big press conference and confrontation actually is more likely to lead to the desired result. And then a year later in spring of 2021, Grindr was in fact sold to a U.S. company. And frankly, Grindr has actually flourished.

They did much better as a business and they then went public. So all the employees of the company who had really no path to even like realizing their stock gains or anything like that, while the company was Chinese-owned, now could actually realize that when the company went public.

And so to me, that is just like the clear blueprint here for I think what is likely to happen. Now, the Chinese government didn't fight that. They didn't see Grindr ownership as a, you know, critical national asset in the way that they seem poised to fight the TikTok divestiture. But that's why these things kind of happen more through the SIFIUS process as opposed to an act of Congress. Man, so many questions there. So number one, which we'll pause after each, but number one, was there ever any proof that anyone at Grindr or the holding company or in the CCP had done anything bad? Because once again, this is the funny thing for me, which is that once again, like AOC was making this point in her TikTok about TikTok, that, you know, we're really looking for proof like where is the evidence that these risks exist and things are happening? Because from my perspective, I think it's best to deal with these on a first principle basis, which is that I don't care if we're having, if we're having to find that, yeah, actually it did turn out that this person was blackmail over their HIV status. That means that there was a policy failure already, right? Like that's like saying in the 1950s, let's, before we place a law saying that, you know, a Soviet or foreign entity can't buy a telecom company in the US, we have to have an example of something bad happening. That just doesn't really make any sense to me. So like, was there any evidence that we could, was there a smoking gun? Well, I don't think there was. What I suspect happened is that the national security agencies said, here's the, here's the concern we have about what could happen. Okay. And that, that, and that they've probably said something similar in the TikTok case as well. So then the next question would be, which is, is, here's what I'm

here, and this is just pure speculation, but is the Chinese government's reluctance to part with TikTok, I know part is complicated because it's not, is that they literally own it, but like, it's complicated state capitalism, et cetera, et cetera, et cetera. Is that because the issue has been elevated to such a laughable, but obviously national honor is at stake in the sense that who cares about grinder, but I actually could see a world where if this had been so public and gotten so political so quickly, there probably would have been a, like, because in that case, like basically, if the grinder thing had become public, allowing the sale to go through of how to fight would basically be conceding the argument that this was a risk in the first place, which would then have an effect on then the TikTok debate and Huawei and everything else. So like, how do you think about how the Chinese government thinks about it?

I think you're absolutely right. I think you're absolutely right. I think the reality is that, like, this is what's interesting to me about the normal SIFIUS process. It's based on recognition that allowing the other country to save face is actually more conducive to achieving the desired result, which is the divestiture. And so the lower profile, the debate is the more likely, the country of the foreign owner is less likely they are to resist it. So, wow, we're way beyond that point with TikTok, right? Like, there's no getting this out of the headlines. Like, nobody could make this low profile even if they wanted to. And so now I do say, I will say that this is interesting to me because people say, well, it's just a harmless video app and they haven't done anything. Okay, well, then why is the Chinese government objecting so hard? Right? I mean, yes, you know, they never, any government would never want to be subject to divestiture order. But if this was a harmless video app, which was, you know, of no significant strategic importance, why would the Chinese government care? It's sort of actually, to me, it backs up the concern about kind of government propaganda and control. But I do think that, I mean, I think that's, now that it's elevated to that point, that's going to be much harder to get success because they've seen it now as a face saving a matter of national interest. From a pure perspective of TikTok, TikTok's future business in the United States, I don't think there's any doubt that divestiture is the only path that makes sense for it. Because the fact is, as long as it's owned by ByteDance, it's always going to have this massive cloud over its head in the United States that's never going to go away. And, you know, and so there's no way to really solve that point. And of course, ByteDance, if they sell the app, you know, will make billions of dollars. And so, now from a business standpoint, all of that is pretty clear. So the only reason I think it doesn't happen is because of the kind of the national interest standpoint in China's desire to save face. So then what the clear implication here is that Donald Trump, as Donald Trump tends to do, his decision to let's just say over complicate the entire situation in 2020 is what leads us here, basically, because that's just my reaction. It should have just been like, yeah. I think it was directionally correct. But the fact that he had no, he had not done any establishing of the problem, made it look to courts as contextual. And the fact that he essentially engineered, tried an engineer of the sale of the company to kind of a favored crony ally Oracle also was a problem, right? So those two things, I think, were the biggest problem directionally. And of course, it was interesting too, because like he was very keen to inject that into his big dispute with China, whereas I think the Biden administration actually does not want to raise it to the level of Biden, right? Biden hasn't talked about this. And I think it would be very low too. They'd prefer to like have it be at existent, siphious level, where

frankly, it's more likely to get done. The president. Okay, so as we're nearing the end here, then the key takeaway is the hearing matters. The hearing is a useful temperature check. It's a way to understand how this issue is manifesting itself. But people should be paying attention to the siphious process. And then the resulting court battles will come because the Biden administration, they are going to do what they are going to do in either direction, not based on the hearings last week, correct? I think that's right. I think like they're interested what political will said, but to the extent that Biden is seeking a divestiture, not a ban. Now, the administration always has to hold out the possibility of a ban in the siphious process in order to get a lesser punishment of the divestiture. And this essentially, what I assume happened in the Grindr case too, an implied message that if you don't do this, we will ban you. You will not be allowed to continue to operate. But of course, I think it's interesting. It's in TikTok's interest to frame this as a ban, right? They're saying that people want to ban them. That is more motivating to their users. It's more motivating to some political allies, even though that's not what's actually been laid before them. The divestiture, I don't think most people would care about a divestiture because I think TikTok is a great app, but most people do not care who owns it. Yeah, no. And is that just a... Yeah, it's actually kind of frustrating because my reaction is someone who's more just like center on these political issues. I really would like representatives who are on my side of this debate and senators to stop, I'd say, I think the teen girl focus is like a huge mistake because obviously that's an argument applies to every single tech company. And this is kind of where we started. The point is that TikTok is a unique geopolitical, geo-economic situation. Let's say TikTok does just get banned. Well, Instagram, Snapchat, those companies would also still have those privacy... That's not even privacy. They would still have those societal, sociocultural issues at stake there. So I think it's best just to focus on what is the thing that this does that's unique. And even if it divests... Yeah, go ahead. I have a view on that too, which is I think part of it. And I agree. I saw that. To me, it was that certain members of Congress have a comfort in viewing things through the lens of geopolitics and certain ones don't. The ones who brought up TikTok's impact, alleged impact on teen girls, were probably the same members who brought up other social media services impact on teen girls when those CEOs testified. So they were very committed to their perspective and their kind of political niche, let's say. I understand that. I agree with you though, but you can also do geopolitics if you want. You could set aside the content concern. Yeah, I think what you've done a good job here of just providing... I'm interested in just what mental framework should you approach. And I think the question, because I want to have takeaways from this episode is, if you are skeptical or pro in terms of the TikTok status quo, how is this different or the same as Grindr in 2019? That is basically the only thing that matters. No, that's exactly right. The Grindr-Syphius debate had nothing... Because also, guess what? We could totally have a... I'm not LGBTQ, so I'm not going to actually have this debate on this podcast. But I'm sure there could be a conversation about, does Grindr promote unhealthy relationships? And is it socio-culturally good? This discourse happens with straight people, with other dating apps. That is a separate question, even if that question is political, which I'm not quite sure it is a political question. But even if it is a political question, that is a different question. You know what the actual takeaway is? This is why we have a Syphius

process. It actually seems like Congress as an institution is not set up to adjudicate these types of things. So the courts, who could focus on the law, like what's right and what's okay, and the executive branch of government, seem to be better suited for this than the actual Senate and the House. Is that crazy to think?

Well, I completely agree with you. And I will say too, one of the, to me, the tragedies of this whole thing is that... And I have several friends here in the U.S. who work for TikTok, and they have to spend all their time essentially defending the status quo in terms of bite dances Chinese ownership. And the reality is that TikTok, as an app setting aside Chinese ownership, is really cool, right? And it's clearly, or I believe, earned every ounce of success it's had in the United States. And its future in the United States would be so much brighter if they just got this cloud over their head. There's no reason for them to actually... The fact they now have to spend all this capital essentially trying to preserve the company's Chinese ownership is such a waste of time, because the reality is that for the vast majority of the American employees of TikTok, I believe their lives would be so much better. They'd be so relieved if a divestiture was enacted. And yet, they have to bite dance signs or checks right now. So they have to defend that current status quo. But to me, there is no future. There is no bright future for TikTok in the United States into the current ownership structure. But there is a very bright future divested where it is continuing to bring that competition to big tech players. That's great. We should want that, right? But we can't be naive about what Chinese law obligates bite dance employees

to do with respect to TikTok. So for the final question here, I'm obsessed with like eras of transition. So part of our transition is that social media use is down. How can it be addictive? That's true. That's an interesting question. That's a whole other podcast. My most kind of like establishment tech position is I think the social media addiction conversation has gotten out of control. And I think we need to kind of take a step back with that. But basically, social media use is down. We're almost more than eight years out from those like 2016 Trump era. Did Facebook swing the election debates and like Myanmar with the Rohingya and

everything to what, how would you define the issues that are going to set the stage for the next era? Also, we've kind of also Elon buying Twitter, I think pulled so much energy out of the conservative

mentorship debate. It really just did. So that's just like not, that's not talked about as much. What issues do they already define like the next and also like the tech boom was over too? That also really like served like that's like hundreds of thousands of people losing their jobs really shifted the dynamics of how tech is seen at least amongst the elite structures where these issues are being debated. So what are the issues that are going to define the next few years from your perspective? If what I'm saying is directionally true? Yeah, yeah, yeah. Well, what I'm always interested in is I think that people can both be really optimistic about all these benefits that tech brings, but also a little wary about where that should stop and what the limits of that should be. And so when I look at debates about things like kids, and I think there are a lot of bills that have been introduced between states this year that are driven by more of a panic, frankly treat teenagers as if they're, you know, toddlers. And I just find that just so bizarre. But I understand, I do think we're going to, we should have debates about where we kind of halt technology is kind

of unfettered access, right? Where we want to preserve our humanity or other values. And I think that's, I think that makes a lot of sense, you know, we're going to have that debate around AI. A lot of the AI debates may seem new, but I think they'll be actually just fresh spin on old debates about copyright and fair use. That GPT three got into content moderation very quickly. Just instantly. Yeah. And then they were talking about how it's by it took, it took 30 seconds, literally. That's right. And so I don't I so I think we'll have all those old debates again. Yeah, just with different with different examples. And that's good. I think that's healthy. I mean, like I said, I think it'll be a good thing when we can have debates that says, okay, this technology is mostly good. We want to encourage the benefits of that. And then there's a 5%, maybe 10% abuse case, excess case that we want to, we want to minimize or mitigate. And let's figure out the best way to do that. And that to me is I think how we'll know the tech policy debate has moved to a more mature place, where we again, treat it like we debate regulation other industries, which is to accept that the thing is fundamentally beneficial, but just needs some regulation around the edges. That's a great place to leave. I just want to just sum up something you just said, which really resonated, which is the modification I would give of my articulation about how we're moving forward in tech. It's not as if the longstanding debates are over. So we are going to debate moderation. I mean, section 230 came about because people were debating, how do you moderate forums on the internet, which isn't a thing, I mean, it's a thing still, but it's not quite the same thing as it was. So we're still going to debate content moderation, we're going to debate like to your point, like the extent to which acquisitions could happen, et cetera, et cetera, et cetera. But the specific way that we have that debate will change as the internet and the users change. Like if Gen Z or is in Generation Alpha, are just not using Facebook, which they don't in the same way, we are not going to have the content moderation debate. And as people don't adopt meta products in the same way, we're not going to have the content moderation debate through the lens of Mark Zuckerberg, it will be through Sam Altman and like open AI and what they're doing there. So that's I think something that people should look to. Adam, this is super great, super fun. Honestly, I do so many of these that like it's not often that just like, I'm taking notes and learning things by actually like learned a lot of stuff here. So can you shout out any of your work that people should look at, like Chamber of Progress, all of those good things? Sure. I'm on Twitter at Adam Kovac and we're Chamber of Progress online at progresschamber.org. Awesome. Thank you so much for joining me on the Realignment. Thanks for having me. Hope you enjoyed this episode. If you learned something like this sort of mission or want to access our subscriber exclusive Q&A, bonus episodes and more, go to realignment.supercast.com and subscribe to our \$5 a month, \$50 a year or \$500 for a lifetime membership rates. See you all next time.