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PROGRESSIVE GROUPS URGE PRESIDENT-ELECT BIDEN NOT TO APPOINT FORMER GOOGLE CEO TO ADMINISTRATION

Washington, D.C. — Today, the Revolving Door Project is joined by the Open Markets Institute, the Communications Workers of America, and 11 other progressive organizations in asking President-elect Joe Biden to take a hard line against the influence of individuals with close ties to Google. The letter focuses in particular on the former longtime CEO of Google, Eric Schmidt. Schmidt is reportedly being considered for a position in President-elect Biden's administration, an appointment that risks alienating voters who want to see the economic power of Google and other major corporations reined in.

Sandeep Vaheesan, Legal Director, Open Markets Institute said:

"Reports that the incoming Biden administration may bring on Eric Schmidt are alarming. As CEO or executive chairman of Google from 2001 to 2015, Schmidt was a central figure in Google's rise to global dominance—a dominance due, in large measure, to a bipartisan failure to enforce anti-merger and -monopoly laws over the past 20 years. Schmidt also orchestrated an employer cartel with other tech titans, including the late Steve Jobs, that held down the wages of thousands of software engineers and other professionals in Silicon Valley. In his role as a funder of a major think tank, he sought to silence critics of Google within the organization. Schmidt should have no role or influence in a Biden administration, or any administration committed to advancing the wellbeing of ordinary Americans."

Chris Shelton, President, Communication Workers of America said:

"One of the important tasks ahead for the Biden administration is addressing the outsized role that massive technology companies have come to play in the everyday lives of working people, and the way that they have used their power to exacerbate inequality and distort the labor market. While he was at Google, Schmidt oversaw illegal no-recruitment agreements and other labor practices that inhibited worker organizing. Until companies like Google change their labor policies to allow workers to have a real voice on the job, tech industry executives like Schmidt, who have close ties to those companies, should not be in a position to shape public policy."

The full text of the letter to President-Elect Biden follows:

To President-elect Joseph R. Biden, Jr.:

We write to you as a broad coalition of organizations representing millions of Americans who want to ensure that the Internet isn't dominated by a handful of corporations and remains free and open. We wish to congratulate you on your historic victory and look forward to working closely with your administration.

In reviewing your transition's disclosure of its agency review teams, we were struck and concerned by the apparent widespread influence of people with close professional ties to Google generally and more specifically Eric Schmidt, a former CEO of Google with a current multi-billion dollar stake in the company.¹ Even more concerning are recent reports indicating that Schmidt is being considered for a

position in the White House.² According to reporting by the Financial Times, “Eric Schmidt, the former Google chief executive, has been a big fundraiser, and is being talked about to lead a new technology industry task force in the White House.”³

We are writing to convey our concern about the prospect of Mr. Schmidt leading such a task force, given that the Department of Justice filed suit against Google on October 22, 2020 in response to the company’s well-documented anticompetitive behavior. According to the Department of Justice, “[a]s one of the wealthiest companies on the planet with a market value of \$1 trillion, Google is the monopoly gatekeeper to the internet for billions of users and countless advertisers worldwide. For years, Google has accounted for almost 90 percent of all search queries in the United States and has used anticompetitive tactics to maintain and extend its monopolies in search and search advertising.”⁴

The suit against Google has the potential to be the most important antitrust case in a generation. Especially as you work to build our economy back better after the pandemic, keeping markets open and competitive is key for expanding economic opportunity, incentivizing innovation, and protecting consumers. As such, we believe that it sends the wrong message—and could have a chilling effect on U.S. antimonopoly policy moving forward—to have an individual who served at both the helm of Google and its parent company Alphabet Inc. at such a high position in government.

In fact, recent polling conducted by the organization Demand Progress confirms that the American people agree that this is the wrong path forward, even across party lines. When asked whether you should refuse to appoint executives, lobbyists, or lawyers from Big Tech companies that are currently being sued by the DOJ or state attorneys general for engaging in anticompetitive behavior into your administration, 58 percent said yes and only 14 percent said no.⁵ The American people are divided on many things, but not on what they view as fundamental issues of legal and economic justice like this one.

In addition to his history as an executive at a corporation currently the subject of a historic federal lawsuit, Schmidt’s personal conduct also raises serious flags. According to reporting by Recode, Schmidt has recently taken advantage of the Republic of Cyprus’s de facto “passport-for-sale” program that allows wealthy foreign nations to effectively purchase citizenship.⁶ According to the report, “[Schmidt’s] move is a window into how the world’s billionaires can maximize their freedoms and finances by relying on the permissive laws of countries where they do not live.” The report further postulates that Schmidt is pursuing Cypriot citizenship not only for the purpose of being able to travel freely within the European Union, but also possibly to access a “favorable personal tax regime”. In a time of historic wealth inequality, it would send a dangerous message to appoint a billionaire currently in the process of effectively purchasing citizenship for the likely purpose of benefiting from foreign taxation laws to such a high profile role in the Executive Branch.

You have made it clear that you intend to work to bridge the partisan divide and to be a President for all Americans, not just those who voted for you. It’s clear that taking a harder line against Google and other corporations engaged in anti-competitive behavior would be a unifying move, which would be hindered by putting a Google luminary in a position of public trust. What’s more, as you approach your first 100 days in office, the appointment of Schmidt risks fracturing a Democratic coalition that

your campaign and so many others worked so hard to build over the past several months. While the appointment of Schmidt may attract praise from certain elites in both Washington and Silicon Valley, it risks alienating an overwhelming majority of the electorate, including within the Democratic base, who want to see the economic power of major corporations reined in.

Congratulations again on your historic election victory, and we are excited to work with your administration in the months and years ahead.

Sincerely,

Open Markets Institute

Communications Workers of America

Action Center on Race & the Economy

Accountable Tech

Artist Rights Alliance

Demand Progress

Fight for the Future

Liberation in a Generation

MPower Change

Partnership for Working Families

Progressive Change Campaign Committee

Revolving Door Project

SumOfUs

Tech Inquiry

Jillian C. York (Individual)

Footnotes:

¹ See, e.g.: the team lead for the Council of Economic Advisors agency review team is closely associated with Schmidt Futures; a member of the Department of the Treasury team is affiliated with Sidwalk Labs, a sister organization to Google; one individual on the Department of Defense team and one on the Social Security Administration team are associated with Rebellion Defense, a small company associated with Schmidt; and multiple individuals spread across the transition are associated with WestExec, another firm closely associated with Schmidt. For more, see:

<https://www.nytimes.com/2020/11/12/us/politics/biden-administration-corporate-influence.html>
<https://theintercept.com/2018/07/22/google-westexec-pentagon-defense-contracts/>

²<https://fortune.com/2019/12/05/page-and-brin-google-control/>

³<https://www.ft.com/content/44f738e8-eb6f-4394-b833-6b3207ce31bf>

⁴<https://www.justice.gov/opa/pr/justice-department-sues-monopolist-google-violating-antitrust-laws>

⁵<https://mailchi.mp/6f08b79429c6/demandprogressnewpoll>. Opposition to the appointments of big tech executives like Eric Schmidt follows other recent polling from Demand Progress showing that voters across party lines support the federal lawsuit against Google. Recent polling by Demand Progress showed that 49% of those surveyed across party lines supported a Biden Administration continuing the lawsuit against Google compared to a mere 28% opposed and that 62% of respondents are concerned about the threat that the power of big technological companies... ..poses to the U.S. economy. <https://www.axios.com/exclusive-poll-shows-bipartisan-support-for-tech-antitrust-action-c3794ff5-120d-44d8-bac1-58b033efbd8a.html>. Similarly, a recent survey conducted by Public Policy Polling found that a bipartisan majority of Americans are in favor of reigning in the power of big tech companies, with a massive 70% of those surveyed supporting federal intervention to break up tech monopolies. <https://www.prnewswire.com/news-releases/new-poll-shows-bipartisan-majority-of-americans-want-congress-to-rein-in-big-tech-301151327.html>

⁶<https://www.vox.com/recode/2020/11/9/21547055/eric-schmidt-google-citizen-cyprus-european-union>

About Revolving Door Project

The Revolving Door Project (RDP), a project of the Center for Economic and Policy Research (CEPR), scrutinizes executive branch appointees to ensure they use their office to serve the broad public interest, rather than to entrench corporate power or seek personal advancement. For more information, visit: <https://therevolvingdoorproject.org/>.