

Berkeley Center for Law, Business and the Economy University of California, Berkeley School of Law 2850 Telegraph Ave, Suite 500 Berkeley, CA 94705-7220

Ph: 510.642.0532 – Fax: 510.643.7095 E-mail: <u>BCLBE@law.berkeley.edu</u> http://www.law.berkeley.edu/bclbe.htm

The Struggle for Transparency in Political Advertising By Camila Piedrahita Abello, J.D. Candidate 2019 | October 27, 2017

On October 19, 2017, Senators Mark Warner, Amy Klobuchar, and John McCain introduced new campaign finance legislation. The "<u>Honest Ads Act</u>" seeks to compel greater disclosure surrounding online political advertising. More specifically, the bill would force large digital platforms (those with at least 50 million monthly views) to keep a public file of paid political advertising exceeding \$500 per advertiser.

In response to reports of Russian interference in the 2016 election, <u>the goal</u> of the Honest Ads Act is to prevent foreign actors from buying ads on online platforms. It would require sites like Facebook and Twitter to "make 'all reasonable efforts' to ensure that foreign individuals and entities are not buying political advertisements to influence the U.S. electorate."

Per the <u>Federal Election Campaign Act of 1971</u>, radio, television, and newspaper ads already carry restrictions when it comes to political advertisement disclosures. Online advertising, however, has remained untouched by these rules. Proponents of the exemption argued that as an "evolving mode of mass communication," the Internet required fewer restrictions than other forms of media. This exemption allowed <u>Russian companies to purchase \$100,000 in political</u> advertisements during the latest presidential election.

Despite the bipartisan nature of this bill, some social media companies have already mounted a campaign to influence or even resist the proposed changes. Facebook's Chief Operating Officer argued that Facebook is not a media company, but rather "<u>a tech company</u>" that would take its own steps to achieve advertising transparency. Facebook's Vice President of U.S. Public Policy, however, said the company would work with lawmakers to create a legislative solution to the political advertisement problem. A <u>Twitter</u> spokesperson noted that the company "look[s] forward to engaging with Congress and the FEC on these issues."

Representatives Derek Kilmer and Mike Coffman have introduced a <u>companion bill</u> to the Honest Ads Act in the House. It is unclear when either version of the bill will come up for a vote.