

# **The Dynamics of a Disturbance: New and Established Interests in Technology Policy Debates**

*Matt Grossmann*

The effects of technological change have political implications. A “disturbance,” such as the rise of the Internet as a mass medium, brings about new policy issues and establishes new interest organizations in the lobbying community. The differential mobilization of interests can affect the resolution of these policy issues. I combine face-to-face interviews with Washington representatives from organizations involved in Internet policy debates with compiled data on the extent of their involvement to outline the difficulties that organizations face when building lobbying capacity, developing an agenda, and forming coalitions. The results indicate that new entrants face substantially more constraints than established interests and that these differences may affect policy outcomes.

## **Introduction**

David Truman inaugurated the modern study of interest groups with his theory that socioeconomic “disturbances” change the structure of the interest group environment. After debunking the notion that group mobilization is an automatic response to such change, modern interest group scholars have de-emphasized socioeconomic explanations for group mobilization. Academic observers of technological change and policy development, meanwhile, have focused on how economic group structure and public policy co-evolve without analyzing the intermediary influence of the mobilization process on policy outcomes. What is most present in one academic sector, therefore, is most absent in the other. Technology policy scholars need to understand how technological change and policy change are related through the behavior of affected organized interests. Interest group scholars, in contrast, need to be attentive to the broader context of socioeconomic

---

Matt Grossmann is a Ph.D. Candidate in Political Science at the University of California, Berkeley. He formerly served as Research Director for the California Commission on Internet Political Practices. He may be reached at <matthewg@berkeley.edu>.

*Knowledge, Technology, & Policy*, Fall 2005, Vol. 18, No. 3, pp. 95–113.

change that generates both new policy issues and participation by new interest organizations.

This paper begins that research agenda by exploring strategic and organizational changes in interest organizations affected by the rise of the Internet as a mass medium. I ask how these organizations reacted to the new policy issues and the associated mobilization of new interests. I use Truman's idea of a 'disturbance' as a sensitizing concept to develop a theory of organizational response to uncertain technology policy environments. I illustrate the challenges faced by all interests affected by new issues but then argue that these challenges are not equally distributed across all organizations; new entrants created by technological change face substantially more difficulty than established interests.

### **Theoretical Background and Hypotheses**

I build on four areas of previous work: (1) research on new interest group mobilization from macro-level socioeconomic change, (2) studies of cross-sectional differences in industry political activity, (3) theories of organizational uncertainty in environments of technological change, and (4) research on the particular characteristics of the Internet policy environment. Interest group scholars have long been concerned with how new groups mobilize to participate in the Washington policy debate. Truman (1951) argues that socioeconomic change provides the context for interest group organization, especially through technological evolution. Loomis and Cigler (1998) demonstrate that economic and social changes are prominent explanations in current research on new interest mobilization. Gray and Lowery (1996), for example, show that socioeconomic variables affect the entry and exit of interest groups in state lobbying environments. They later formulate a model to extend Truman's theory: "[Our] model of interest system density reflects in many ways the core ideas underlying Truman's disturbance theory of mobilization. That is, when policy problems of concern to potential lobbying organizations develop, uncertainty over government policy increases. Large numbers of policy opponents then mobilize."

Technological change not only produces new participants in the policy debate but also affects their organization and tactics. Salamon and Siegfried (1977) indicate that industries with different technological structures differ in their level of political involvement and in their effectiveness. Grier, Munger, and Roberts (1994) show that corporate lobbying activity varies in response to both industry-level and corporation-level economic concerns. Hansen and Mitchell (2000) argue that industries with different economic incentives pursue divergent strategies of influence. If technological change disrupts the structure of industry and the political incentives of industry actors, therefore, we should expect the lobbying environment to undergo a similar transformation.

Organizational theorists study the effect of technological change on organizational adaptation. Thompson (1967) outlines the methods that organizations use to restructure in the face of technological change. Miles and Snow (1978) argue that basic organizational strategy changes in response to technological uncertainty. Pfeffer and Salancik (1978) demonstrate that an organization's technology affects its flexibility and dependence on outsiders. La Porte (1994) argues that the same is

true of public organizations: technological uncertainty affects how policymakers design agencies and how easily they can adjust to address new concerns. Interest organizations should face constraints similar to those encountered by other organizations.

The literature on the public policy implications of technology includes many references to the specific challenges posed by the rise of the Internet. Lessig (1999) argues that Internet policy raises unique concerns for policymakers because early policy decisions will “lock in” particular technologies. Bar (2001) argues that Internet policy decisions will create the parameters for future market competition. In a review of Internet policy decisions thus far, Samuelson and Varian (2001) demonstrate that policymakers face unforeseen challenges and rely on advice from interest organizations. Policy studies therefore suggest that the structure of the interest group environment has major implications for policy development.

I combine these four research trajectories here. The rise of the Internet is the major recent example of a technological disturbance that produced new industries and forced existing organizations in many sectors to reevaluate their interests. It also created new policy issues by developing new product markets, new forms of economic exchange, and new social concerns. This study surveys how interest organizations adapted to the uncertainty of this technological change; I emphasize differences in organization and strategy, especially among newcomers and established interests. I address several rapidly evolving and crucial policy areas. Rather than provide policy advice, however, I use ideas from organizational theory and results from interest group research to describe and explain the mobilization patterns around these policy debates.

According to scholars of business and government agencies, organizations will have difficulty reaching internal consensus and responding to outside institutions when faced with uncertainty over their goals, their options, and their shared interests with outsiders. Technological change is a primary instigator of uncertainty within organizations. As organizations receive new signals about their technological environment, their leaders will learn to adapt their internal structure and external posture. Over time, organizations will become more adept at responding to new uncertainty arising in their environment by searching for new competitive strategies, organizational innovations, and outside alliances (see Thompson, 1967; Miles & Snow, 1978; Pfeffer & Salancik, 1978; La Porte, 1994).

I therefore hypothesize that all interest organizations will face substantial constraints when building lobbying capacity and expertise in response to Internet policy issues, clarifying their issue portfolio and primary agenda, and forming coalitions around their new lobbying programs. In both building lobbying capacity and forming coalitions, however, I hypothesize that new entrants will face more types of constraints and greater overall strain than established interests. As a result, organizations formed in response to Internet policy issues will not adapt as effectively to influence new policy outcomes.

My analysis proceeds as follows. First, I explain my research design and procedure. I then provide the results of my investigation into the constraints faced by interest organizations in three areas of behavior: (1) whether and how organizations built lobbying capacity and internal expertise in reaction to new issues, (2) how interest organizations clarified their issue agenda and added new issues to

their portfolios, and (3) how interest organizations located allies and formed coalitions around their new lobbying programs. Finally, I address the potential policy implications of how interest groups react to these challenges by reviewing the lobbying history of three prominent Internet policy areas.

### **Data and Method**

I combine 27 structured interviews with personnel from corporate policy offices, trade associations, and public interest groups with case studies of interest group involvement in the development of three policy issues. The population under study is interest organizations involved in Internet policy advocacy in Washington. I use a random sample of organizations in the Congressional Internet Caucus Advisory Committee. Members of this committee participate in planning hearings on Internet policy issues in Washington and receive information from a bicameral organization of Members of Congress with an interest in Internet policy. Excluding law offices, public relations firms, foundations, vendors of the Caucus, and organizations without a Washington office, the population includes 142 organizations. From this list, I randomly selected 43 organizations and completed interviews with representatives from 23 of these organizations in July and August of 2003. The sample has 9 companies, 8 trade associations, and 6 public interest groups. It includes 9 new organizations formed in response to the rise of the Internet and 14 established interests.

I selected one informant from each organization for a face-to-face interview; each informant held a decision-making leadership position and was knowledgeable about the history of their organization. I also conducted four face-to-face interviews with participants in multiple organizations that were not included in the sample but were involved in all major Internet policy issues; they provided general comments about the field of interest organizations involved in these issues. The informants are not identified here because I guaranteed anonymity but I provide a list of the included organizations in an appendix. For organizations in the sample, I coded whether informants mentioned any constraints faced by their organization in responding to Internet policy issues and any mention of the strategies the organization used to adapt to new issues. Respondents mentioned 23 different challenges or new strategies. I also collected supplementary data on their staff size, the outside lobbyists that they retained, and any contributions from their Political Action Committees.

Using the interviews as well as news coverage and committee hearing transcripts, I developed case histories of interest group involvement in three policy areas: (1) online copyright protection and digital piracy, (2) broadband deployment competition policy, and (3) online information collection and data privacy. These issues arose as a consequence of the widespread use of the Internet and involve many different types of organized interests, including those that did not arise prior to the growth of the Internet. They each continue as an ongoing policy debates but their histories feature early consequential policy decisions. The case studies include comments by informants about how their organization responded to these issues and compiled data on how many times organizations in the sample were mentioned in

related Congressional testimony<sup>1</sup> and in relevant articles in the Washington Congressional media.<sup>2</sup>

I rely primarily on a combination of qualitative evidence, including quotations from interviews and descriptive statistics. For the reader's reference, I also provide initial statistical analysis. For continuous dependent variables, I use a two-sample t-test to establish significant differences between new and established organizations. For dichotomous measures, I use a likelihood ratio chi square test, which is similar to a logit model with only one independent variable. The analysis is vulnerable to criticism given the small-n nature of the project but the statistical results are also remarkable given the low statistical power of the tests.<sup>3</sup>

### **Lobbying Capacity and Expertise**

The first requirement for building the capacity to influence policy is the recognition that participation is necessary. Technology organizations generally have been slow to this realization, according to one informant: "This is an industry that hates Washington and hates public policy . . . [but] many more people in the [Internet] industry now understand that for better or worse, they are in this parade. The choice is whether they want to be riding the elephant or behind the elephant cleaning up." One lobbyist explained how the initial anti-Washington approach worked to their detriment: "The 'we're different from the rest of the world' theme was never going to work. Politics is about personal relationships and you have to be just as much of a presence as in any other industry . . . there's no special rules for the Internet when it comes to Washington—it is not outside of the law like used to believe."

Getting off the ground in Washington policy advocacy and political relations is difficult for new organizations, one lobbyist noted: "Just as the company's business plan is evolving and changing . . . you learn and grow in Washington to realize that it's not just about policy. It's a very political town . . . building better relationships is something that's beginning to happen. Before, it was strictly policy because with one person that's all you have time to do. . . . I wouldn't say we've arrived but we've made progress." One informant explained that before establishing their own offices, new organizations go through a multi-step process of getting connected to Washington: "The first tier is the lobbying firms; the companies that do not even know where the capitol is on a map hire outside counsel from the specialist firms. The second tier is trade associations with a technology focus; they shop around to find the right one. [Only] as the third step do they go to specialist Internet organizations." Another lobbyist indicated that the initial mobilization of new interests was led by Washington lobbyists rather than by corporations: "We called the meeting, we recruited the companies and we told them about how they were getting killed by industries that didn't want them to exist."

Without a Washington presence, the likelihood of success is low. "Without an office, there is a tendency for issues to fall off the radar screen," an informant said, "[Some Internet companies had] only the general counsel who was trying to multitask." One trade association representative said that joining a coalition is not as valuable without an independent office: "People who have a Washington office typically have a mind of their own; they are much more sophisticated and want to

be involved in strategy and tactics; they are much smarter in the way they use us.” Washington policy offices, even when they are set up, usually start small; as one corporate informant put it “When I started it was just me and an intern.” Once they set up shop, one lobbyist said, there is no guarantee that they will stay: “The internet boom engendered a lot of new policy offices in Washington, some of which have come and gone with the bubble bursting.”

Table 1 provides a summary of the kinds of difficulties interest organizations faced in responding to Internet policy issues and records the techniques they used to adapt to these issues. As the results show, making a commitment to Washington typically does not happen in a policy vacuum, but in direct response to Washington activity. According to one lobbyist, mobilization rarely happens without a political trigger: “Trying to tell a company with no government relations, that they have to do it—state, federal, and international—that’s a tough sell until they get burned.” Sixteen organizations in the sample said that their organization significantly expanded its operations in response to a specific political event that disadvantaged the group they represent. All nine newcomers admitted that a political trigger was significant in promoting their involvement in these issues, whereas only half of the established organizations noted the presence of such a trigger. This crisis-response mode effects how organizations present themselves before policymakers, one informant pointed out: “Everyone is crisis-driven rather than vision driven—they did not come to Washington with a rational plan on policy or [how to] influence [it]—they only reacted.”

Triggers for mobilization are related to the strategies pursued once interests arrive. Eight of the established organizations mentioned that they have sometimes

**Table 1**  
**Constraints and Tactics for Building Lobbying Capacity**

Constraints Faced and Tactics Used	Percentage of Organizations Facing Constraint or Using Tactic	
	New Entrants	Established Interests
Expanding in Response to Crisis	100% (9/9)**	50% (7/14)**
Promoting Legislation (Offensive Strategies)	22% (2/9)*	57% (8/14)*
Expanding Lobbying Operations	89% (8/9)	71% (10/14)
Difficulty Building Lobbying Capacity	100% (9/9)*	71% (10/14)*
Difficulty Amassing and Directing Resources	67% (6/9)	50% (7/14)
Difficulty Hiring Staff with Tech. Knowledge	22% (2/9)	50% (7/14)
Separating Issue Specialists and Lobbyists	11% (1/9)*	50% (7/14)*
Focusing on Public Education and Media	11% (1/9)**	71% (10/14)**

Table entries are the percentage of informants who mentioned that their organization had each difficulty or used each adaptation strategy. The significance indicators use a likelihood ratio chi square test to evaluate whether the proportions are equal across new entrants and established interests. \*\* $p < .01$ ; \* $p < .05$  (two-tailed).

pursued 'offensive' strategies on Internet-related issues, including promoting new legislation. In a statistically-significant contrast, only two new entrants pursued these strategies; their emphasis was heavily defensive. One lobbyist explains how this defensive posture reduces their lobbying commitment: "Maybe if we had something offensive our office might have grown extensively—we're still at the tipping point of engaging but not completely entering their world . . . we don't have a coalescing issue."

Setting up an office in Washington and establishing an agenda is only the first step to mobilizing influence; organizations also have to build capacity to respond to new policy issues. Eighteen out of the 23 organizations in the sample said they expanded their operations in response to Internet issues, either by hiring new staff, increasing their budget, or retaining outsiders. As expected, the established organizations had what one lobbyist called the "shoe leather" advantage; they had significantly more individuals working to advance their interests in Washington. Table 2 indicates the extent of lobbying operations for each sector of interest organizations. The average newcomer in the sample had 2.2 staff members (with a median of 2) and had hired 1.7 outside lobbying firms to represent them (with a median of 1) whereas the average established interest in the sample had 9.1 staff members (with a median of 6.5) and had hired 6.7 outside lobbying firms to represent them (with a median of 2).<sup>4</sup>

Efforts to expand a policy presence in Washington were fraught with difficulty. Nineteen informants in the sample noted that their organization had trouble developing the capacity to work on new Internet-related issues. As one trade association representative said, organizations may not initially place an emphasis on policy influence: "Before [we] made the decision to really get into lobbying, the association was in Washington, but not of Washington . . . by and large their impact on public policy was marginal." As Table 1 shows, newcomers had significantly more difficulty building their lobbying operations. According to one lobbyist for a newcomer, decisions about office expansion are driven by internal economics, not policy needs: "There is an appropriate time to expand in any company. When it's more profitable, all various segments of the company grow." One lobbyist even noted how internal company policy prevents them from establishing a broad Washington

**Table 2**  
**Lobbying Capacity of Internet Policy Interest Organizations**

	<b>New Entrants</b>	<b>Established Interests</b>
Staff Size	Mean: 2.2** (Median: 2)	Mean: 9.1** (Median: 6.5)
Outside Lobbying Firms Retained	Mean: 1.7 (Median: 1)	Mean: 6.7 (Median: 2)
Political Action Committee Contributions	Mean: \$25,516	Mean: \$199,519

The significance indicators use a two-sample t-test to evaluate whether the proportions are equal across new entrants and established interests. \*\*p<.01; \*p<.05 (two-tailed).

presence: "It's a cultural change that the company has to go through . . . we can grow incrementally but . . . we have to make a business case every time we want to expand. . . . Hiring internal staff would be better and cheaper but we can only retain outside counsels [because] we have head counts within the company and [we] have to meet overall goals of productivity per employee."

Once established, the operations of organizations in a technology policy environment are often unstable. One lobbyist pointed out that an interest group might completely reorganize: "[The trade association] is the same corporate lineage but it is organized entirely differently and pursues different issues." Five informants spontaneously mentioned the major changes at Microsoft; as one said, "[Microsoft] said for a long time that they don't need to be involved . . . they only had two people here. . . . [Then] they almost lost a huge antitrust suit . . . now they are one of the biggest shops in Washington, and I think it's paid off for them." More commonly than they reorganized completely, interest groups added Internet specialists to their staff or pulled new people into advisory roles. Organizations also modified existing job titles and changed the responsibilities of current staff. According to one corporate lobbyist, Internet policy staff often worked in a "matrix environment," consulting with outsiders and government affairs staff in many different business units. Internet specialists spent most of their first few years just figuring out what one lobbyist called "the basic posture of the organization." "[The new hires were] just trying to understand the impact of the Internet on all the main business lines."

Resource constraints played a role in limiting organizations from building lobbying capacity. Two-thirds of the new organizations and half of the older organizations mentioned resource shortages that affected their work on Internet issues. For public interest groups, lack of resources meant that it was hard to get up and running on a new issue agenda; in some cases, according to one informant, the involvement did not last: "During the bubble, we launched a technology project . . . it was initially well funded and we had two full-time staff who were very effective. . . . [Since we lost our funding,] there is no one doing this work anymore." In providing campaign contributions, there was also a major financial advantage for established interests. Excluding public interest groups in the sample, every established interest had a Political Action Committee (PAC) but only two-thirds of the newcomers had PACs. As Table 2 shows, the average newcomer in the sample contributed under \$26,000 in the 2002 cycle whereas the average established interest contributed almost \$200,000 to federal candidates.<sup>5</sup>

In addition to operational capacity and resources, mobilizing influence requires expertise. Organizations differ, however, in their assessments of what kinds of expertise are most important. Four of the informants reported that expertise in technology policy was more important than political experience, seven of the informants felt that political expertise was more important, and twelve informants considered these backgrounds equally important. There was not a significant difference in how the newcomers and established organizations felt about which kinds of expertise were most valuable. Even if they do not differ in their attitudes toward expertise, however, new entrants have fewer people with political experience to draw from. As one trade association representative said, "I can find a billion people who can talk techy; what's missing in this industry is people who can talk politics." Another informant agreed that new entrants did not emphasize political experi-



ence: "If they did open an office, they tended to be more issue focused than politics focused. The older organizations understand more of the horse-trading and political subtleties."

Established organizations more commonly lacked staff with a background in technology policy, though the results did not attain statistical significance. Half of the established organizations mentioned that they lacked some technical expertise needed to work on Internet issues, whereas only two newcomers mentioned this challenge. Policy expertise, according to one lobbyist, may be in short supply among Congressional relations staff: "When an on-the-ground cable or telecom lobbyist sees a bill about the Internet, that lobbyist is not going to recognize what's before them, what the arguments are, or how it affects them." Lacking this technical expertise can be a problem, according to a trade association informant: "When dealing with companies with public policy people, you don't have to do a lot of explaining, you can rely on them to write a first draft of a letter . . . but these people aren't totally connected with the business . . . sometimes we need answers that only the engineers know." One informant illustrates how organizations may get involved in issues even when they know they lack the expertise: "It was a situation where we knew nothing, but we knew more than anyone else. Everyone else knew squat." According to one lobbyist, however, political experience can make up for lack of technical expertise even on complicated issues: "Our advantage [over the newcomers] was [that] we were fighting a number of lawsuits, testifying on blue-ribbon panels, negotiating with localities. We had a diversified education, policy, and legal effort and we had lived through the work of these regulators." One informant illustrated how, over time, established companies add people with technical expertise to the policy staff: "The technology issues I was working on in the company kept overlapping with legal and regulatory issues and that's what brought me into the Washington office."

One significant difference between the operations of the newcomers and the established interests was how they organize their offices to take advantage of expertise. Half of the older organizations had staff to build relationships with specific target audiences, such as regulatory agencies or Congressional committees, that were distinct from the policy experts within the organizations. This allows staff members to focus on their area of expertise, dividing responsibility in a way that uses strengths in technology policy knowledge and political experience where they will most advantage the organization. Only one newcomer had this division of labor. Many established interests also organize their offices to participate in policy work unrelated to government lobbying that they believe is vital to their interests. Ten of the representatives of established organizations spontaneously mentioned that they were engaged in public education, media advertising, or grassroots mobilization efforts on Internet issues, for example, whereas only one newcomer mentioned such efforts.

As hypothesized, many organizations faced difficulties in building capacity to work on Internet policy issues but new entrants were more likely to face these challenges. Also as predicted, established interests perfected several strategies for building lobbying capacity that were not practiced by new entrants. The overall size of staff at established organizations was also larger and, unlike the new entrants, they did not have to expand their operations in response to a crisis.

### Issue Agendas

Interest groups can only take advantage of their internal capacity and expertise to the extent that they have determined which public policy issues will be most important to their interests. In the Internet policy arena, forming an issue agenda has been a challenge. As seen in Table 3, fifteen organizations in the sample did not anticipate a key aspect of their current issue portfolio when they began working on these issues. Every informant seemed to be surprised by the rise of at least a few Internet policy issues, with no significant difference between newcomers and more established groups. A lobbyist for a newcomer commented on the unpredictability of their portfolio: "Our range of issues is staggering. . . . Who knew that some of these things would even be issues?" As one informant put it, "On a lot of the issues, no one in their right mind could have predicted them . . . the issue agenda was much smaller before; we couldn't have worked on most of these issues before the Internet brought them to us." Another lobbyist agreed that anticipation was difficult: "Issues creep up on you in such a dynamic environment. Looked at from the perspective of 1995, there is no way anyone could have predicted which issues would be the most important now . . . they evolved from that point forward."

Policy debates also substantially change over years of discussions. One informant, for instance, considered their Internet issues to be reincarnations of older debates: "Very similar issues were being raised in the 1970s . . . the concerns have remained constant but there has been a metamorphosis in how they're presented." Due to the unpredictability of how issues evolve, one lobbyist said they emphasized sharing basic information: "We spent much of our time explaining basic technological details to policymakers, rather than negotiating on the specific provisions of a bill. . . . Most of my time was spent educating people on how this technology is new and should be treated differently . . . this was preparatory work for future battles."

**Table 3**  
Strategic Challenges in Determining an Issue Agenda

Constraints Faced	Percentage of Organizations Facing Constraint	
	New Entrants	Established Interests
Difficulty Anticipating Issue Agenda	78% (7/9)	57% (8/14)
Difficulty Deciding Whether to Add an Issue	100% (9/9)	93% (13/14)
Arriving to Late in an Issue Debate	78% (7/9)	71% (10/14)
Difficulty Resolving Internal Policy Disputes	78% (7/9)	79% (11/14)
Difficulty Interacting with Business Units	67% (6/9)	43% (6/14)

Table entries are the percentage of informants who mentioned that their organization faced each constraint. The significance indicators use a likelihood ratio chi square test to evaluate whether the proportions are equal across new entrants and established interests. \*\* $p < .01$ ; \* $p < .05$  (two-tailed).

When new policy issues do arise on the agendas of policymakers, it is often difficult for interest organizations to decide whether to take on the new issues. Twenty-two of the 24 organizations in the sample, including all 9 newcomers, mentioned that they had difficulty deciding whether or not to become involved in one or more Internet-related policy issues. Many indicated that whether to get involved had been a source of internal debate. Organizations have to judge the importance of issues at a moments notice, one informant said: "We have to be nimble. We are running a triage operation here—we treat the broken leg that is in front of us . . . we may lose the person in the waiting room to SARS but we have to take an initial look. . . . [We] cannot take on everything at once."

Adding issues to a trade association agenda can also be quite difficult, according to one informant: "Our core issues are what the coalition was formed on . . . we can take on extra issues only if we get everyone to agree." Established players may also find it difficult to change focus, an informant said: "One of the challenges has been that in many ways these issues have not really been front burner issues compared to some other things that have been on our plate like the larger regulatory reform issues. There are some [other] big issues that the whole organization is focused on."

Another informant noted that organizations have to find new issues that take advantage of their traditional niche: "We saw all these issues on a continuum and some issues were easier to get involved in . . . [because] they had a traditional hook for our members." Involvement in new issues led by the central staff can also backfire for an organization, according to one informant: "We asserted leadership on [technology] issues . . . but there were bitter feelings [within the organization] because the funding did not continue and it had diverted attention from other issues." Another informant pointed out that incremental involvement can turn into full-time work: "The issues we work on have changed radically . . . I started getting calls about Internet issues in the early 90s . . . now I spend more than two-thirds of my time on them."

Sometimes groups add an issue to their agenda without any organizational decision, one public interest group informant said: "I didn't get permission to go into the issue. . . . I got a phone call that a bill was coming up to a vote in two hours and I made some calls . . . that was really the beginning of my foray into these issues." Taking up issues only after they become major battles may involve stepping into policy debates too late to have an effect. Seventeen informants said that they became active on at least one Internet policy issue too late to positively influence the outcome. One trade association representative noted this problem: "Some of these issues came at us fast and hard and it would have been nice for us to have six more months to prepare."

Selecting which issues are most important may not guarantee that organizations can develop a coherent position on these policy issues. Eighteen informants mentioned that their organizations had internal disputes about their positions on a major Internet policy issue, with different parts of the organization coming from different perspectives. One lobbyist said that their organization could not come to consensus on a policy perspective: "We were a microcosm of Congress itself or the entire political community, with elements of just about every position." Another lobbyist said that building internal consensus requires substantial staff resources:

“We have competing interests within the company. . . . We spend a lot of time talking to product managers to try and keep as many options open for the company as possible.” One trade association representative said that they always have to consider internal disputes in their membership: “Schizophrenia is common in many of our companies. . . . [Mergers] are even more difficult to deal with . . . we have to know who in those companies is our client.” Not every lobbyist can communicate effectively with different sectors of their organization, however; just over half of the informants, including two-thirds of newcomers, reported that the government affairs staff in their organization had some trouble interacting with the rest of the organization.

As hypothesized, interest organizations faced difficulties in taking on new policy issues. Both established interests and new entrants had difficulty anticipating their Internet policy issue agenda, deciding whether or not to add a particular issue to their portfolio, and making an internal decision about their policy position. There was no discernable difference between the difficulties faced by established interests and new organizations in this area; taking on new policy areas is difficult for everyone concerned.

### Allies and Coalitions

Selecting an issue agenda and building internal capacity may still fall short of what is needed to affect policy. Organizations must also find like-minded interests to ally with to achieve their goals. Table 4 indicates that all nine newcomers faced difficulty allying with other organizations on Internet policy issues but only half of established organizations encountered the same problem. As one lobbyist for a newcomer put it, “We do tend to be a lone rider out there . . . our allies are few and far between.” Another corporate informant said that newcomers are not welcomed: “It’s hard for companies that are forging their way in new business areas to find a lot of like-minded folks because the companies in your area consider you a threat.”

**Table 4**  
**Strategic Choices and Challenges in Coalition Building**

Constraints Faced and Tactics Used	Percentage of Organizations Facing Constraint or Using Tactic	
	New Entrants	Established Interests
Difficulty Finding Allies	100% (9/9)**	50% (7/14)**
Deciding to Ally with Established Interests	100% (9/9)**	50% (7/14)**
Belonging to Shifting Issue Coalitions	89% (8/9)	64% (9/14)
Avoiding Issues with Established Coalitions	78% (7/9)	57% (8/14)

Table entries are the percentage of informants who mentioned that their organization faced each constraint. The significance indicators use a likelihood ratio chi square test to evaluate whether the proportions are equal across new entrants and established interests. \*\* $p < .01$ ; \* $p < .05$  (two-tailed).

The newcomers incorrectly predicted that they would work closely together, according to one informant: "The Internet companies did not know how much they disagreed—they ended up having diametrically opposed positions on issues like database protection . . . [but they] did not realize that when they got into bed with one another." One trade association representative acknowledged that they were unable to build the coalition of newcomers that they expected; in response, they looked for new partners: "We do not have the breadth of resources that we expected we would have. . . . We do not have the membership that we'd like to have. . . . [If we did], we would be more active on broadband deployment, international harmonization, and trade. . . . Instead we partner, tag-team with other organizations."

Sixteen informants mentioned that their organization attempted to ally with more established interests in order to use their capacity for influence. New entrants were significantly more likely to ally with established interests to achieve their goals. One lobbyist explains the advantage of this strategy: "Today, we're going to the hill with [an established interest] to take on [our opponents]—it was my strategy and knowledge of the issue—but it's good for me to sit next to them—they have a lot of clout—it is nice to have them on board." Changes in the company business model also make older partners necessary, one lobbyist said: "Being aligned with an access provider for the first time really got us into the wars at the FCC. . . . That's a whole new world that we were not involved in and had no reason to be involved in." These coalitions in the Internet policy space, once they form, seem to evolve beyond their original purpose. Seventeen informants acknowledged that they had been a part of an issue coalition that shifted from their original concerns. One lobbyist said that major coalitions slowly formed: "It just seemed to expand from [alignments on an early issue]. . . . The recognition of issues and potential alliances was very evolutionary." Another informant said that, for their organization, a stable coalition eventually materialized: "We all grew up together. . . . We were on the lookout to identify partners and then we kept working with the same groups."

The permanent incarnations of these coalitions were often new trade associations. There are more than 40 trade associations in the population of interest organizations that claim to be active on Internet policy issues, including almost a dozen where Internet policy constitutes the bulk of their agenda. Each trade association has overlapping members with most of the others; each has a slightly different membership focus among software, hardware, media, information, and telecommunications companies but they all roughly duplicate the work of others. As one trade association representative put it, "To a certain extent, we're all the same." Every trade association representative in the sample mentioned that consolidation within the technology industry had been a major problem; all associations have lost membership as companies have merged. Some Internet trade associations have had to revise their structure as they lost members. NetCoalition, for instance, is now run by a law firm that used to serve as an outside consultant to the association. Permanent and stable coalitions are still being formed in the Internet policy space because many industry sectors still seem unsatisfied with their representation and may look to form their own associations.

On some Internet policy issues, an organization may agree with others on a position and believe that an issue is important but still decline to get involved in a coalition. Fifteen informants mentioned that they chose to avoid an Internet policy

issue because too many established players were already involved; there was little difference between newcomers and established interests in their avoidance of contentious issues. One informant explained how these considerations come into selecting an issue portfolio: "We made a strategic decision not to be involved in broadband . . . there were lots of entrenched interests that had very sophisticated and well-funded lobbying operations—we didn't want to get in that crossfire." A trade association informant said that getting involved in some issues involves losing membership: "We lost people from the [antitrust] challenge. When you make big decisions like that, it really does drive your membership . . . we may have stayed out for a while just for that reason." Policymakers also may convince interests to stay out of debates where other players are prominent, according to one lobbyist: "The [Congressional] staff people said 'you got what you needed; get out of this stuff.' [The Internet] industry only has the ability to focus on a few issues. The platform is very thin."

As hypothesized, new entrants faced more difficulty than established interests in allying with other organizations. They were more often forced to side with an established interest in an Internet policy debate. Most organizations in the sample avoided some issues because more established interests already controlled the debates. Many also joined evolving issue coalitions that did not retain their original mission. Unexpectedly, new entrants did not avoid contentious issues or participate in tentative coalitions significantly more often than established interests. All organizations appear to face several constraints in building new coalitions responsive to Internet policy issues.

### Policy Implications

The common difficulties faced by interest organizations in Internet policy debates and differences between the difficulties and strategies of new and established interests will likely affect how these policy issues are resolved. Each participant in each Internet policy debate brings a unique capacity for lobbying, a particular expertise, and some potential for new alliances. A review of the early battles over online copyright protection, broadband competition, and data privacy shows how the organization and strategy of the affected interests shapes policy development.

Both newcomers and established interests in the sample were marginally involved in the debate over online copyright protection. As Table 5 shows, the average organization was mentioned in testimony by almost five participants in Congressional hearings related to online copyright issues, with little difference between newcomers and established interests. The average organization was also mentioned in almost seven relevant articles in Congressional media. The equal participation of new and established interests, however, did not necessarily lead to equal influence. The copyright debate has been dominated by a battle between the established interests in the recording and motion picture industry and a coalition of public interest groups and computer and telecommunications companies that all have some concerns about extensions of copyright protection. The major event in this policy history was the adoption of the Digital Millennium Copyright Act (DMCA), which extended copyright protection and criminalized techniques commonly used in piracy. Rather than ending the debate,

**Table 5**  
**Policy Issue Involvement**

Policy Issue	New Entrants		Established Interests	
	Testimony	Media	Testimony	Media
Online Copyright	4.8 Mentions	6.0 Articles	4.6 Mentions	7.1 Articles
Broadband Deployment	7.7 Mentions*	19.4 Articles*	47.7 Mentions*	79.3 Articles*
Online Data Privacy	8.1 Mentions	5.4 Articles	5.6 Mentions	4.7 Articles

Table entries are the mean number of mentions of organizations in the sample. The significance indicators use a two-sample t-test to evaluate whether the proportions are equal across new entrants and established interests. \*\* $p < .01$ ; \* $p < .05$  (two-tailed).

however, this legislation provoked more opponents to become involved upon seeing the effects of the act; the original proponents also remained unsatisfied with its efficacy.

The DMCA was possible, according to one lobbyist, because the liability issues raised by telecommunications opponents seemed to be easily alleviated with exemptions: "They were easily satisfied concerns, which did not requiring expending too much political capital. . . . [They were] seen as practical objections . . . not political issues." Many of the opponents were not effectively mobilized against the act, according to another lobbyist: "The only reason they started to pay attention was because someone used the words 'criminal,' 'vicarious,' and 'liability' in the same sentence." Respondents disagreed on whether additional lobbying against the DMCA would have made a difference. As one lobbyist said, however, the interest group environment is certainly different today: "Outside of certain segments of the software industry, the tech industry did not mobilize in time for the DMCA. . . . [C]onsumers paid no attention at all. . . . [T]he phones weren't ringing off the hook. . . . They would be today if it came up again."

In broadband deployment policy, established interests were much more involved than newcomers. More than half of the newcomers in the sample were not mentioned by any participant in Congressional hearings related to broadband. The average established interest, in contrast, was mentioned by almost 48 participants in these hearings. In the Congressional media coverage of broadband policy, the average established interest was mentioned in almost 79 articles (with a median of 15 articles) whereas the average newcomer was mentioned in just over 19 articles (with a median of 4 articles).

This differential participation drove the evolution of the issue. The original debate over broadband deployment policy was about third-party access to cable lines for the sale of competitive Internet service. It was a battle between established cable companies and new Internet service providers. The debate did not result in significant policy change and was entirely altered by the merger of America Online (AOL), the largest service provider, and Time Warner, an established cable company. AOL, one informant explained, lobbied for the passage of federal third-party access legislation but also pursued business alternatives in the event that they were

politically unsuccessful: "It was clear at any time AOL could choose to pull out . . . It was one part of a larger AOL strategy. They were actively negotiating a [business] deal with AT&T . . . They thought they might win the policy debate and that's what they would have preferred. There were just two alternative strategies."

Another lobbyist confirms that AOL "formed and largely funded" the coalition in favor of third-party access and then later "eviscerated the coalition." The broadband debate has now changed considerably; it now focuses on potential de-regulation of Digital Subscriber Line (DSL) Internet service, a high-speed alternative to cable Internet access. One lobbyist explains how the issue has changed by taking account of the interest group environment: "We had been involved in advocating for open-access of cable . . . finally after not being effective in succeeding there we shifted the focus toward regulatory parody between cable and DSL." The fight has moved to the courts; established telephone companies are taking on cable companies in litigation and negotiations, leaving shrinking options for newer competitive services.

In debates about online data privacy, both newcomers and established interests in the sample were active; on this issue, however, the newcomers were slightly more involved. The average newcomer was mentioned in testimony by over eight participants in Congressional hearings related to online privacy issues (with a median of two) whereas the average established interest was mentioned in testimony by 6.6 participants (with a median of one). The average organization in the sample was mentioned in five articles in Congressional media about online privacy issues, with a median of three mentions for the newcomers and one mention for the established interests.

The presence of new entrants in the privacy debate, however, did not result in a victory over established interests. The online privacy issue has been a more traditional policy battle fought between public interest groups and corporations. Broad online privacy legislation has been regularly introduced in Congress; it has gained momentum on several occasions but never passed. Instead, the issues were addressed in regulations specific to financial and medical data and legislation specific to children's privacy. Newcomers in the privacy debate who were initially willing to compromise may have hardened their positions, according to one informant: "On privacy, some companies said they would never rent or share [data collected online] but then when the investors asked what money they were making, they had to switch positions; they didn't understand the task master that is Wall Street." The self-regulation efforts that followed as well as the industry-specific privacy regulations lowered demand for new online privacy legislation. The array of new and established corporate interests aligned against the traditional civil liberties organizations likely played a role in driving online data privacy issues to the back burner.

These brief policy reviews do not prove that the difficulties encountered by some interest organizations in Internet policy debates are responsible for the way these issues have thus far been resolved. It becomes clear, however, that advantages in lobbying capacity, expertise, coalition-building, and agenda clarification may have a major effect on policy outcomes. In the online copyright and broadband competition debates, the liabilities of newcomers and the internal conflicts of corporate actors undoubtedly played a role in policy development. In all three policy areas



studied here, the way that each interest organization conceived of its issue agenda and the way that they aligned themselves with others helped determine the potential outcomes.

### Conclusion

Constraints faced by interest organizations in uncertain technology policy environments form part of the causal story responsible for public policy development. Cross-sectional differences in these constraints and in how organizations adapt to them also likely affect the course of the policymaking process. Interest organizations in Internet policy debates had difficulty building internal operations, developing policy expertise, gaining political experience, modifying their issue focus, taking on new concerns, resolving internal disputes, and forming stable coalitions. New entrants faced additional difficulties in starting up their operations; they were more crisis-driven and defensive, had fewer staff and resources at their disposal, had more difficulty forming coalitions, and could not organize themselves as effectively to take advantage of their expertise. Internet policy debates provide an important locus to observe these dynamics. If the same patterns are evident in new policy debates related to biotechnology or responses to new terrorist threats, for example, the nation may adopt policies that respond more to the needs of threatened interests than the concerns raised by new advocates or industries.

Interest group adaptation to new policy issues also has implications for more fundamental questions of interest aggregation and socioeconomic development. Technology policy scholars concerned with how policies affect the development of economic competition should be attentive to how the dynamics of interest mobilization studied here help produce the policies they study. If early policy decisions structure technological development for years to come, then the potential for broad socioeconomic change may be dependent on the structure of the current lobbying environment. Interest group scholars primarily concerned with lobbying organization and strategy should also be attentive to how the socioeconomic environment often produces both the population of interests and the policy issues under debate. Future scholarship can build on the exploratory work presented here to better understand how some organizations gain advantage over others in this process of interest aggregation in response to new issues. Democracy in an age of technological flux may require knowledge of how affected interests will mobilize to determine the political responses to technological change.

### Appendix Participating Organizations

I would like to thank representatives from all of the following organizations for agreeing to be interviewed for this research:

American Library Association  
Association for Computing Machinery  
AT&T  
Center for Democracy and Technology  
Competitive Enterprise Institute  
Computer & Communications Industry Association  
Consumer Electronics Association  
Digital Media Association  
eBay  
Expedia  
Freedom to Read Foundation  
IBM  
Internet Content Rating Association  
Internet Education Foundation  
Internet Service Provider Association  
Information Technology Association of America  
Internet Alliance  
Leadership Conference on Civil Rights  
MCI Worldcom  
National Consumer Law Center  
NetCoalition  
Nokia  
Piper Rudnick  
Qwest Communications  
Samuelson Law, Technology, and Policy Clinic  
Software & Information Industry Association  
VeriSign  
Verizon  
Yahoo!

### Notes

1. I record the number of individuals giving prepared testimony or comments at a Congressional hearing that mention the organization and the policy issue under study from January 1993—July 2003. The records are from the *Federal Document Clearing House Congressional Hearing Summaries*.
2. I record the number of articles in *Roll Call*, *The Washington Post*, and National Journal's *Congress Daily* and *Technology Daily* that mention the organization and the policy issue under study from January 1993—July 2003.
3. The results should be interpreted with several complications in mind. First, the overall sample is small and includes low quantities of each type of interest organization: corporations, trade associations, and public interest groups. Second, there are no traditional policy issues in the study to use as a baseline for comparison to the struggles of interest organizations in the Internet policy domain. Third, many variables are correlated with whether an organization arose in

response to the Internet, including the length of their presence in Washington, their size, and their level of resources. No causal link can be determined between one of these variables and the differences in the behavior of organizations; we can only expect any organization that arises in response to technological change to exhibit this constellation of variables. Fourth, informants may have been unlikely to admit that their organization lacked lobbying capacity or was otherwise deficient. Fifth, respondents had a tendency to discuss recent matters rather than to act as representatives of the organization for the entire period of the policy debates under study.

4. I use data compiled from the *Washington Representatives 2002* directory.
5. I record contributions to federal candidates by employee political action committees during the 2002 election cycle. The records are from the Center for Responsive Politics and are available at [opensecrets.org](http://opensecrets.org).

## References

- Bar, F. (2001). The Construction of Marketplace Architecture. In *Tracking a Transformation: E-Commerce and the Terms of Competition in Industries* (pp. 27–50). Washington: Brookings Institution Press.
- Gray, V., & Lowery, D. (1996). *The Population Ecology of Interest Representation: Lobbying Communities in the American States*. Ann Arbor: University of Michigan Press.
- \_\_\_\_\_. (2004). A Neopluralist Perspective on Research on Organized Interests. *Political Research Quarterly*, 57, 163–175.
- Grier, K. B., Munger, M.C., & Roberts, B.E. (1994). The Determinants of Industry Political Activity, 1978–1986. *American Political Science Review*, 88, 911–921.
- Hansen, W., & Mitchell, N. (2000). Disaggregating and Explaining Corporate Political Activity: Domestic and Foreign Corporations in National Politics. *American Political Science Review*, 94, 891–902.
- La Porte, T. R. (1994). A State of a Field: Increasing Growing Relative Ignorance. *Journal of Public Administration Research and Theory*, 4, 5–15.
- Lessig, L. (1999). *Code and Other Laws of Cyberspace*. New York: Basic Books.
- Loomis, B. A., & Cigler, A. J. (1998). Introduction: The Changing Nature of Interest Group Politics. In *Interest Group Politics* (pp. 1–32). Washington: Congressional Quarterly Press.
- Miles, R., & Snow, C. C. (1978). *Organizational Strategy, Structure and Process*. New York: McGraw Hill.
- Pfeffer, G., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper and Row.
- Salaman, L. M., & Siegfried, J. J. (1977). Economic Power and Political Influence: The Impact of Industry Structure on Public Policy. *American Political Science Review*, 71, 1026–1043.
- Samuelson, P., & Varian, H. (2001). The ‘New Economy’ and Information Technology: A Review of Information Policy in the 1990s. Presented at Harvard University, 27 June.
- Thompson, J. D. (1967). *Organizations in Action*. New York: McGraw Hill.
- Truman, D. B. (1951). *The Governmental Process: Political Interests and Public Opinion*. New York: Knopf.
- Walker, J. L. (1991). *Mobilizing Interest Groups in America: Patrons, Professions, and Social Movements*. Ann Arbor: University of Michigan Press.
- Washington Representatives*. (2002). New York: Columbia Books.