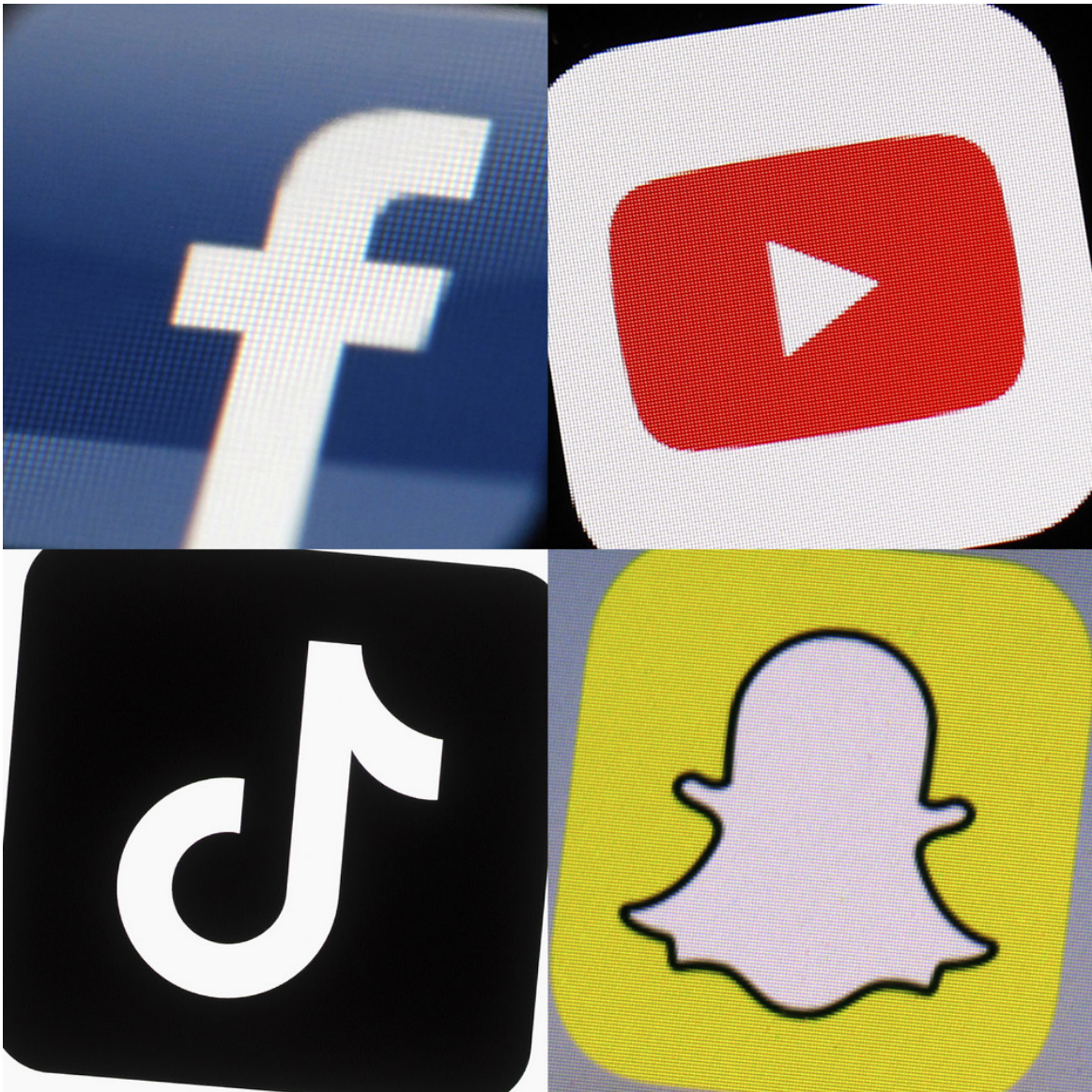


POLITICO PRO

Technology: California Decoded

By Tyler Katzenberger, Christine Mui and Brock Hrehor



QUICK FIX

- **The Newsom bump on social media age-gating only goes so far.**
- **Kalshi lifts restrictions on former gubernatorial candidate who bet on himself.**
- **How the fallout from Anthropic's Pentagon conflict is affecting other companies.**
- **A look back at tech's political giving over the past week.**

Welcome to California Decoded! We're hoping tech executives do AMAs more often. Send ideas, scoops and feedback to californiadecoded@politico.com.

Driving the day

FIRST IN DECODED: NOT-SO-SWEET SIXTEEN — Some California lawmakers are ready to clamp down on teen social media use, but kids' online safety advocates aren't so sure it's the right move.

Seven policy and research experts for online safety advocacy groups who spoke with Decoded were split on whether to [join Gov. Gavin Newsom](#) in backing a proposed California bill that would restrict social media access for kids under 16. While two supported the idea, others said they needed more details — and some questioned whether the global movement inspired by [Australia's ban](#) was the right way to protect teens' well-being online.

"If we don't require these platforms to build for young people, they will not do it," said **Ava Smithing**, director of advocacy at the nonprofit Young People's Alliance. "A ban lets them off the hook."

Instead, she argued that lawmakers should focus on "design-based" policies that restrict kids' exposure to potentially addictive features like infinite scroll feeds, video autoplay and content curation algorithms.

The concerns from Smithing and other advocates, like co-chair of the nonprofit Design it for Us **Sebastian Mahal**, suggest politicians pursuing age-gating in Europe and the United States may find themselves at odds with some of the groups they've counted as allies in past fights to rein in social media giants.

Mahal told Decoded in a statement that a blanket social media ban “restricts access instead of addressing the root problems through meaningful platform accountability.”

“We urge Governor Newsom to continue championing design-centered regulation that tackles the core business model of social media and AI products,” Mahal added.

Lishaun Francis, senior director of behavioral health at youth wellness nonprofit Children Now, worried that a simple age cutoff at 16 could backfire if not properly crafted. She told Decoded that it could leave older teens, whose brains are still developing, at risk of social media addiction, while simultaneously cutting off younger teens’ access to information.

“What’s different about a 17-year-old that suddenly makes it okay for them to be exposed to social media?” she asked. Francis added that she’s “willing to entertain” a discussion on age-gating, as long as the final policy reflects public health best practices and ensures “accountability” for platforms.

The bipartisan lawmakers drafting California’s age-gating effort say they share that goal. Its lead author, Assemblymember **Josh Lowenthal**, told Decoded he doesn’t view the debate between design safety and age controls as an “either-or” issue.

“We have zero intention of replacing one with the other,” the Long Beach Democrat said. “This is a matter of public health.”

The rub, according to age-gating supporters, is that California’s already tried regulating platform design — multiple times, in fact — with little success. A 2022 state law mandating kid-specific design restrictions, the Age Appropriate Design Code, has been frozen for years amid a legal challenge from the tech industry, as have parts of a 2024 law that would require parental permission before kids view personalized content feeds like TikTok’s “For You” page.

Further, social media giants appear to be flouting the few controls that have dodged legal roadblocks. A [2025 report](#) from the Children’s Advocacy Institute of

San Diego found Instagram, Facebook, Snapchat and TikTok were making it difficult for users to flag problematic posts, even after California passed laws requiring easy-to-access methods for reporting cyberbullying and child sexual abuse content.

For **Ed Howard**, senior policy advocate for CAI, the final straw was seeing [hundreds of pages of internal communications](#), released as part of an ongoing social media addiction lawsuit against multiple platforms, that alleged Meta staff compared Instagram to addictive drugs. (Meta contends that the quotes were taken out of context.)

Now, Howard told Decoded, he sees age-gating as the only answer because “every single piece of evidence that has come out proves that we do not have, and will never have, a partner in making these platforms safe.”

Jim Steyer, co-founder and CEO of the nonprofit Common Sense Media, made a similar argument while telling Decoded that he’s “not that surprised” lawmakers and some advocates are turning to age-gating.

Steyer said he met with top Australian officials, including Prime Minister **Anthony Albanese** and eSafety Commissioner **Julie Inman Grant**, as early as two years ago to advocate for social media age restrictions. And since then, Steyer said, he’s talked about age-gating in conversations with Newsom, as well as European leaders such as French Prime Minister **Emmanuel Macron** and former EU Commissioner for Competition **Margrethe Vestager**.

“For far too long, social media companies have been given free rein to treat children and teenagers as subjects in a massive, uncontrolled social experiment,” Steyer said. “That’s why Australia initially, but now, multiple European countries and several U.S. states, including California, have begun delaying social media account creation for children under 16.”

He predicted global momentum for age-gating will continue growing despite lingering concerns — and that California is “going to be really the epicenter.”

FIRST IN DECODED: BACK AT IT — Not even 48 hours [after telling POLITICO](#) that he had traded on his own candidacy for California governor, **Stephen Cloobek** is no longer restricted on Kalshi. The reversal comes after the entrepreneur said he spoke with Kalshi CEO **Tarek Mansour** to ask why the platform blocked him from placing bets on the race earlier this month. Cloobek dropped out of the primary last year.

“We talked,” Cloobek recounted. “He said, ‘I believe it’s resolved.’”

Since the restrictions lifted, Cloobek has spent about \$12,000 over multiple wagers for the governor’s race Thursday, according to a screenshot of his activity viewed by Decoded.

Altogether, he dropped \$7,000 in favor of Rep. [Eric Swalwell](#), who is among the leading candidates and has received Cloobek’s endorsement. He also bet more than \$5,000 against San Jose Mayor **Matt Mahan**.

When Cloobek tried making similar trades last weekend, none went through, and Kalshi alerted him that he was “currently restricted from trading this market.” He [then admitted](#) to betting on himself as the winner last fall, when he was still in the race, without facing any immediate restrictions.

It wasn’t clear whether the suspension was for the recent failed attempts, the wager on his campaign months ago, or some other violation of platform policies. Cloobek was able to continue betting on other kinds of markets, while Kalshi spokesperson **Elisabeth Diana** declined to share a reason at the time, citing an ongoing investigation.

Kalshi says its rules prohibit candidates, campaign employees and people who “hold any material, non-public information” from trading on elections.

Last week, it [announced punishments](#), including a five-year ban and \$2,000 fine, for another then-California gubernatorial candidate who was caught betting on his campaign. Long shot **Kyle Langford** dropped out and switched to running for a House seat in January.

But Kalshi is now explaining that it removed the restrictions on Clooback because of *his* status as a former candidate.

“We have put in backend controls to prevent candidates from trading on their own elections, and they are able to make requests for those controls to be lifted in the event the block is in error or no longer applicable,” a spokesperson said Friday. “In this case, since he dropped out, it's no longer applicable.”

The company declined to confirm or deny the conversation with Mansour, as well as whether its investigation had closed.

*[Also out today from our colleague Declan Harty](#): Former political power players are taking a growing role in the fight over whether prediction markets should be regulated as financial exchanges or gambling platforms — including former Trump official **Mick Mulvaney**.*

Artificial Intelligence

HEATED RIVALRY — A dispute that saw President **Donald Trump** prohibit Anthropic from working for the government is raising fears that AI companies must curry favor with the administration, [our D.C. colleagues report for Morning Tech](#).

Anthropic CEO **Dario Amodei**'s decision Thursday to reject the Pentagon's request for unfettered access to its Claude AI model was swiftly met with mixed reactions of support and criticism from the industry and Washington. Some government officials were quick to condemn Amodei, including Undersecretary of Defense **Emil Michael**, who called the Anthropic CEO a “liar” and accused him of having “a God-complex.”

Amodei had said the terms the Pentagon insisted on would allow AI's use in mass domestic surveillance and fully autonomous weapons — and OpenAI CEO **Sam Altman** expressed his own concerns about those issues, a rare moment of consensus between the two rival AI industry leaders. Just a week and a half ago, the two had [refused to hold hands](#) or even acknowledge one another at the AI Impact Summit in India.

But then late Friday came the news that OpenAI had signed its own deal with the Pentagon, one [it insisted included safety guardrails](#) similar to those that had fractured the relationship between Anthropic and the administration.

Anthropic's position seems to have garnered broad support — and probably some name recognition — from the wider public (Claude jumped to the [top spot for downloads](#) on Apple and Google app stores over the weekend).

Altman, meanwhile, spent much of the weekend [fielding inquiries to his “ask me anything” call](#), trying to explain OpenAI's Pentagon deal and batting away the impression that OpenAI had caved to Trump pressure. “The optics don't look good,” [Altman conceded](#) at one point.

Newsom, speaking at a San Francisco event Saturday, made it known he had Amodei's back. The governor called the Anthropic CEO “a real leader” and “a person of character,” citing their interaction when [getting AI safety law SB 53](#) over the finish line.

“He was a fierce advocate for going further and constantly pushing us to do more to address the peril, not just the promise, of AI,” Newsom said. “He had a red line and had the courage to hold that line in a way that so few CEOs do ... he deserves our praise and he deserves our support.”

WHERE'S GUIDO? — Anti-AI activist **Guido Reichstadter** made it to the state Capitol Friday morning after a 70-mile trek and multi-day hunger strike from Oakland to Sacramento to protest the technology's development.

In an interview with POLITICO, Reichstadter, 45, said that he's been concerned with the prospects of AI since he was in his 20s, but that the advent of OpenAI's ChatGPT reignited his worries.

“It was really a wake-up call,” he told Decoded after reaching Sacramento. “I feel very strongly that our society is in danger.”

He's called on Newsom and the Legislature to take "[immediate emergency action](#)" to ban development of so-called artificial general intelligence throughout the state — and implement a moratorium on data centers.

In the interview, he advocated for "nonviolent civil resistance," saying he was influenced by the [massive anti-government and anti-corruption protests](#) in Bulgaria late last year.

"I'm not saying revolution is desirable or good in all cases," he said. "But matching the social technology to the social problem ... it's fairly clear that there's not a damn chance in hell that the established mechanisms are gonna work."

During his trek, Reichstadter, who holds an undergraduate degree in physics and math, was joined by fellow activist **Michaël Trazzi**, who joined around 30 miles into the journey in Vallejo. The two were delayed an extra night Thursday after Trazzi [suffered a bout](#) of hypoglycemia.

The two didn't stay in the Capitol for long Friday, however, as Reichstadter had to make it to San Francisco in order to go to court for [blocking OpenAI's doors](#) several times. After that, he told Decoded, he'll be heading back to Sacramento to continue his hunger strike and "mobilize action to end AI risk."

Campaign Cache

MONEY MOVES — *According to campaign filings from the last week:*

— Retired telecom executive **Samuel Ginn** gave [\\$10,000](#) to Mahan's campaign for governor.

A new committee — "Deliver for California" [has been registered](#) to back Mahan's run. **Matt Rodriguez** is listed as its principal officer.

Rodriguez is also the spokesperson for Back to Basics, a Silicon Valley-bankrolled, independent expenditure committee supporting Mahan. That committee [spent \\$1.5 million](#) on a 30-second Super Bowl ad for Mahan.

— Meta gave \$5,900 each to state Sen. **Caroline Menjivar** (D-Panorama City), Assemblymembers **Phillip Chen** (R-Yorba Linda), **Mike Fong** (D-Alhambra) and **Carl DeMaio** (R-San Diego).

— Venture capitalist **Alex Fishman** [also gave](#) more than \$5,200 to DeMaio's ballot measure committee.

— Comcast [gave \\$6,300](#) to state Sen. **Christopher Cabaldon** (D-West Sacramento), [\\$5,900](#) to Assemblymember **Leticia Castillo** (R-Riverside) and [another \\$5,900](#) to state Sen. **Laura Richardson** (D-Long Beach).

— Ripple [gave \\$5 million](#) to Golden State Promise, a [recently formed anti-wealth tax committee](#) staffed by consultants who worked for the crypto industry super PAC group Fairshake.

Ripple’s executive chair, **Chris Larsen**, had already donated \$5 million to the committee.

— Disney [gave \\$5,900](#) to Assembly Speaker **Robert Rivas** (D-Hollister).

— Cox Communications [gave \\$5,000](#) to state Sen. **Ben Allen**’s (D-Santa Monica) campaign for insurance commissioner.

Jobs for Humans

The new American-owned version of TikTok has registered to lobby in D.C. and appears to be continuing to focus on the same issues as its former parent company ByteDance, [POLITICO Influence reports](#). ... **Kai Hirabayashi** is now senior director of government relations at TKO Holdings. He previously served as senior manager of public policy at Amazon.

Byte Sized

— It’s not just elections or Kalshi. OpenAI fires an employee for insider trading on platforms like Polymarket. ([Wired](#))

— Polymarket bets on Iran operation reach \$529 million, sparking controversy. ([Bloomberg](#))

— That includes from Newsom’s office. ([Post](#))

— A federal judge blocks Virginia law limiting social media time for teens under 16. ([Financial Times](#))

— Australia’s eSafety Commissioner may go after app stores if AI services don’t verify ages by deadline. ([Reuters](#))