

CONGRESSWOMAN SHEILA JACKSON LEE OF TEXAS

STATEMENT

HOUSE JUDICIARY COMMITTEE

FULL COMMITTEE HEARING ON “COLLUSION IN THE GLOBAL ALLIANCE FOR RESPONSIBLE MEDIA”



JULY 10, 2024

10:00 AM 2141 RAYBURN HOB

- Thank you, Chairman Jordan and Ranking Member Nadler, for the opportunity to address the Committee on today's hearing and thank you to the witnesses for their testimony.

Majority Witnesses

- Herrish Patel
President, Unilever
- Christian Juhl
Global CEO, Group M
- Ben Shapiro
Conservative talk show host, founder of The Daily Wire

Minority Witness

- Professor Spencer Weber Waller
Justice John Paul Stevens Chair in Competition Law, Professor and Director of the Institute for Consumer Antitrust Studies, Loyola University Chicago School of Law.

- Let me begin by stating that this hearing is unfortunately covering yet another topic not rooted in substantive and meaningful legislative work and oversight that this committee demands, and the American people deserve.
- Rather, my colleagues' claims about the necessity of this hearing and the prominence of antitrust harm are overexaggerated and unsubstantiated.
- Namely, my colleagues on the other side of the aisle are using this hearing to allege that members of the Global Alliance for Responsible Media's (GARM) Steer Team (of which Unilever and GroupM are members) are "closely involved in GARM's efforts to boycott, demonetize, and censor disfavored viewpoints" - i.e., conservative content.
- More specifically, the Majority alleges that by communicating about the spread of harmful content online, the ability of online ads to monetize and thus enable the spread of this harmful content, and helping member companies ensure that their valuable ads are not placed alongside harmful content (which could harm the brand's reputation and result in consumers buying from a competitor instead), violates Section 1 of the Sherman Act, which prohibits anticompetitive agreements in the restraint of trade.
- However, this committee's so-called investigation into GARM is a failed attempt to "prove" that conservative media is the "victim" of advertisers that choose not to advertise on their websites.
- Even a cursory review of the documents produced prior to this hearing makes it clear that there is no evidence to support their claimed theory of alleged antitrust harm.
- Indeed, after reviewing 37 productions to this committee, totaling over 175,181 pages, and the transcript of an interview conducted over a 15-month period, it is plain to see that the evidence shows that the asserted claims are far overblown.

- In reality, this investigation has shown that GARM and similar initiatives have responded to a genuine demand from advertisers for greater transparency and accountability in ad placement and content.
- Rather than being part of a conspiracy against conservative speech and commentators, as my colleagues have claimed, advertisers simply do not want their brands associated with hate speech, foreign propaganda, or disinformation.
- As a result, they have relied on initiatives like GARM to have greater awareness as to how their advertising campaigns are potentially fueling and monetizing online and offline harm.
- Further, it should be noted that some of the majority witnesses' testimony even recognizes that no serious antitrust harm is occurring.
- And yet, some of my colleagues have claimed that this conspiracy has resulted in conservative media suffering from a lack of advertising revenue.
- This is factually untrue.
- Conservative media generates millions of dollars each year.
- In particular, the Daily Wire – the media outlet run by Republican witness Ben Shapiro – generated \$220 million in revenue last year.
- We know that so-called conservative brands have made notable gains in corporate reputation and continue to enter the market successfully.
- In short, these conservative brands and conservative individuals are not being de-platformed or denied advertiser opportunities by the Global Alliance for Responsible Media (GARM).
- Further, their antitrust allegations fall apart under a legal examination.

- The majority has claimed that by helping member companies ensure that their ads are not placed alongside harmful content, GARM violates Section 1 of the Sherman Act.
- However, this argument is fundamentally flawed – first and foremost because the parties to the investigation have not even entered into agreements that could be subject to antitrust liability under Section 1 of the Sherman Act.
- Additionally, and summarily even if such agreements existed, there are pro-competitive justifications as well as the absence of any competitive harm that severely undermines the claimed basis for antitrust concern against members of GARM.
- More specifically, GARM membership is voluntary and what member companies do with the information and standards GARM provides is also voluntary.
- Member companies have complete freedom to implement GARM’s suggestions and practices or not.
- When these practices are implemented, it is because many member companies find GARM’s resources highly useful in the current media environment.
- Over the past two decades, increasingly platforms have used often-opaque algorithms and programmatic auctions to place advertisements online.
- Because of the rise of these tools, advertisers lost control over visibility as to where their ads are placed online.
- The ads of big-name brands have been placed on websites that spread conspiracy theories, hate speech and disinformation.
- Brands depend on their reputation and safety were placed alongside terrorist content or videos depicting crimes, monetizing them.

- This puts the brand, their reputation, and their customer base at risk, as customers who see the brand alongside unsavory content are more likely to opt for a competitor.
- GARM presents a pathway to prevent such a situation and the subsequent risks to brand reputation, making it a valuable tool many companies *choose* to use.
- Its popularity should not be mistaken for collusion.
- Indeed, in an interview with a GARM representative, the representative repeatedly affirmed that there is no formal agreement between members or membership requirements levied by GARM.
- GARM does not tell members what to do, where to place ads, or create any other obligations on members that would violate anti-trust law.
- This interview does not only disprove my colleagues' claims of collusion, but in fact proves the opposite – that GARM's efforts to increase transparency around content moderation practices and advertising is *procompetitive*.
- Given the priorities of advertisers to protect their brand's reputation, greater transparency of online content moderation policies provided by GARM benefits advertisers and drives competition with rival online platforms.
- For these reasons, I urge my fellow committee members to dismiss claims of conspiracy and collusion around GARM so that we may return to the multitude of pressing issues facing this committee and our constituents.
- Thank you, I yield back the remainder of my time.