



March 9, 2021

Chairman David Cicilline
House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law
6240 O'Neill Building
Washington, DC 20515

Ranking Member Ken Buck
House Judiciary Subcommittee on Antitrust, Commercial and Administrative Law
6240 O'Neill Building
Washington, DC 20515

Dear Chairman Cicilline and Ranking Member Buck,

I am writing to bring an important issue to your attention along with a set of questions we believe Facebook should answer.

A couple of weeks ago, in response to the imminent passage by the Australian Parliament of the News Media and Digital Platforms Mandatory Bargaining Code, Facebook decided to make good on its threat to block all news from Australian consumers' news feeds as well as block all news from Australian news publishers. Ultimately, Facebook relented after 5 days.

Facebook has argued in public statements and regulatory filings that it provides value to news publishers by sending billions of clicks to news publishers while at the same time seeing little to no value in return. Facebook has publicly filed to regulators that its revenues doubled from \$40 billion to more than \$80 billion per year since 2018 after it tweaked its algorithms to show less news in its feeds.¹ In addition, a very public journalism scholar and defender of Facebook and Google recently made the extraordinary statement on ABC Australia that "news is not valuable to either company."

¹ Facebook response to the Australian Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill 2020, August 28, 2020, https://www.accc.gov.au/system/files/Facebook_0.pdf

Unfortunately, there is very little data from Facebook to support or refute this viewpoint including unclear testimony from its chief executive. Considering this reluctance to share data, we believe it would be illuminating to better understand how Facebook's service was impacted by the blocking of news during the 5-day period in Australia. Specifically, we believe answers to the following questions would be of particular interest to policymakers.

- How was users' time spent on Facebook's app impacted during the 5 days Facebook blocked news from Australian publishers and news in Australian consumers' news feeds?
- Did users change their visit patterns in any manner?
- With the blockage of all credible news sources, did misinformation, disinformation and low-integrity information spread, surface, or engage (clicks, likes, shares) more than usual?
- Did Facebook make any adjustments to its algorithm to compensate for the blocking of all news? (As you may recall, Facebook confirmed through news reports it had manually adjusted its algorithm during election week to favor authoritative news brands in order to increase the integrity of information²).
- During the 5-day period, was there any impact on Facebook's advertising revenues?
- Was there any increase in reporting or criticism by either users or advertisers during the period through automated or personal channels?
- Were there any negative consequences to the Facebook business during the five-day period beyond public criticism for its controversial move?

The members of Digital Content Next (DCN) are some of the most trusted digital media brands in the world including Axel Springer, BBC News, Conde Nast, Financial Times, The New York Times, Wall Street Journal, Vox Media, Fox News and The Washington Post among many others. According to DCN's proprietary research, in 2019, the premium publishers of DCN saw an average of 64% of their audiences visiting from other sites click into their sites from services owned by Facebook or Google. These two companies have an extraordinary role in how the public discovers, searches and spreads information. It is important that we better understand how decisions by these two dominant companies impact the spread of information and disinformation.

We have particular concerns with regard to Facebook's role in the spread of disinformation. Today, the company still has not fully accounted for its role in the spread of disinformation by unwitting citizens and malignant foreign actors in past elections. As we have now seen in Australia, Facebook's executives are willing to shut down all credible news organizations while allowing disreputable sources of news to proliferate. We all should be concerned about this abuse of market power by Facebook and what it says about their priorities with regard to democracy versus profits.

² Kevin Roose, "Facebook reverses postelection algorithm changes that boosted news from authoritative sources," The New York Times, December 16, 2020, <https://www.nytimes.com/2020/12/16/technology/facebook-reverses-postelection-algorithm-changes-that-boosted-news-from-authoritative-sources.html>

We appreciate your efforts to rein in anticompetitive practices by intermediary platforms in an effort to level the competitive playing field for all companies, including trusted news organizations. Please let us know if you need additional information or if we can help you in any way.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Kint', with a stylized flourish at the end.

Jason Kint
CEO
Digital Content Next