

Questions for the Record from the Honorable David N. Cicilline, Chairman, Subcommittee on Antitrust, Commercial and Administrative Law of the Committee on the Judiciary

Questions for Mr. Matt Perault, Head of Global Policy Development, Facebook, Inc.

1. According to your testimony, Facebook faces intense competition for all the products and services that it provides. You identified Twitter, Snapchat, Apple, iMessage, Pinterest, Skype, Telegram, Viber, Google, YouTube, and Amazon as examples of its competitors. Do any of the individual companies cited by Facebook as competitors offer the full range of features and services that Facebook offers?
2. In May 2007, Facebook launched Facebook Platform, inviting developers to build apps on top of Facebook's social graph. In explaining its platform policy, Facebook stated that "we've made it so that any developer can build the same application that we can." In a published FAQ, Facebook stated, "We welcome developers with competing applications, including developers whose applications might compete with Facebook-built applications." How does Facebook reconcile this representation with its subsequent Platform Policy section 4.1, which stated that developers should "add something unique to the community, don't replicate core functionality that Facebook already provides"?
3. Facebook dropped Platform Policy section 4.1 in December 2018, shortly before the U.K. Parliament released documents revealing e-mails between Facebook employees discussing rival apps. Please identify and describe all the reasons that Facebook decided to drop section 4.1 at this time.
4. The documents released by the U.K. Parliament include an e-mail from a Facebook employee noting that Twitter had just launched Vine, a video-making app that was competing with Facebook's video product. The employee wrote, "Unless anyone raises objections, we will shut down [Vine's] friends API access today." Mark Zuckerberg responds with: "Yup, go for it." Please identify and describe all the reasons that Facebook cut off Vine's API access.
5. Please specify each Facebook product or service that competed with the following apps or services:
 - a. Phhphoto;
 - b. MessageMe;
 - c. Voxel; and
 - d. Stackla.
6. Please describe the timing and exact circumstances that led Facebook to cut off the following apps' or services' access to Facebook's platform:
 - a. Phhphoto;
 - b. MessageMe;
 - c. Voxel; and

- d. Stackla.
7. Has Facebook ever cut off access to Facebook’s platform for any app or service because that app or service did not purchase sufficient ads on Facebook? If yes, please describe the relevant circumstances.
 8. Has Facebook ever conditioned access to Facebook APIs on the purchase of ads (desktop or mobile) on Facebook? If yes, please describe the relevant circumstances.
 9. Has Facebook ever required that apps or services provide Facebook with access to user data in order to gain access to Facebook APIs? If yes, please describe the relevant circumstances.
 10. Public reporting and internal Facebook documents describe how Facebook used Onavo to monitor users’ mobile activity, including their usage of competing apps. Please identify and describe all uses by Facebook of Onavo data since 2013.
 11. Please identify which categories of employees or teams within Facebook has or had access to Onavo data, specify the types of data or information to which each has or had access, and describe where in Facebook’s organization chart the teams or employees are or were located.
 12. Please identify all product decisions made by Facebook that were informed by Onavo data. Please explain how the use of Onavo data informed each decision.
 13. Please identify all acquisition decisions made by Facebook that were informed by Onavo data. Please explain how the use of Onavo data informed each decision.
 14. Please describe (a) “Project Atlas”; and (b) how Facebook has collected and used data obtained through Project Atlas.
 15. In June 2019, Facebook launched “Study from Facebook,” an app that compensates users for allowing Facebook to monitor users’ mobile usage. Please identify all types of data and information that Facebook collects through “Study from Facebook” and explain how each is used.
 16. Please indicate, with a “yes” or “no,” whether “Study from Facebook” enables Facebook to track any of the following activity:
 - a. Which apps are on a user’s phone;
 - b. The amount of time a user spends on a non-Facebook app;
 - c. The purchases a user makes within a non-Facebook app;
 - d. The content of a user’s text messages; and
 - e. The websites a user visits through a browser.

17. Please identify the revenue Facebook derived from the Facebook Audience Network (FAN) for each of the last three years.
18. Please identify the net revenue Facebook derived from FAN for each of the last three years.
19. Please identify the average and median clearing price of Facebook inventory by browser (e.g., Brave, Chrome, Edge, Mozilla, and Safari) for each month since July 2018.
20. Please identify the average and median clearing price of FAN ad inventory by browser (e.g., Brave, Chrome, Edge, Mozilla, and Safari) for each month since July 2018.
21. Does Facebook arbitrage, or has Facebook ever arbitrated, ad space that it acquires for, then sells to, marketers running ads on FAN? If yes, please describe the relevant circumstances.
22. Does Facebook ever acquire ad space on a “cost-per-mille” (CPM) basis from FAN participant sites or apps and sell this ad space on a “cost-per-click” (CPC) basis to marketers? If yes, please describe the frequency of this practice and the relevant circumstances.
23. What is the prevalence of ad fraud in digital advertising markets?
24. What specific steps does Facebook take to detect ad fraud?
25. What specific steps does Facebook take to prevent ad fraud?
26. Under what circumstances does Facebook inform advertisers that their ad spend has been affected by ad fraud? Please describe the relevant circumstances.
27. What processes does Facebook have in place to provide refunds to advertisers affected by ad fraud through Facebook?
28. Please identify the non-Facebook services that advertisers can use to:
 - a. Assess the success of their ad campaigns on Facebook; and
 - b. Identify ad fraud on Facebook.
29. Please identify the specific steps that an advertiser can take to report suspected ad fraud to Facebook.
30. WhatsApp was launched in 2009 and gained swift popularity in part due to the company’s commitment to strong user privacy. This commitment was reflected in WhatsApp’s rejection of in-app advertising and its decision not to collect or store users’ data. On February 19, 2014, Facebook announced that it was purchasing WhatsApp. In light of significant user skepticism that Facebook would continue to honor WhatsApp’s

privacy commitments, both Facebook and WhatsApp promised that the acquisition would not result in less privacy for WhatsApp users. A statement published by WhatsApp on February 19, 2014, stated, “Here’s what will change for you, our users: nothing.” A letter to Facebook and WhatsApp from Jessica Rich, Director of the Bureau of Consumer Protection at the Federal Trade Commission, noted that Facebook’s acquisition of WhatsApp would not legally nullify the privacy promises WhatsApp had made to users. The letter added, “[I]f you choose to use data collected by WhatsApp in a manner that is materially inconsistent with the promises WhatsApp made at the time of collection, you must obtain consumers’ affirmative consent before doing so.” On August 25, 2016, WhatsApp announced it would subsequently transfer user information to Facebook, enabling Facebook to use the data of WhatsApp users as part of its digital advertising business. WhatsApp did not obtain opt-in consent from users before implementing this new policy. How does WhatsApp reconcile its February 2014 assurance to users that the Facebook acquisition would change “nothing” for users with its August 2016 decision to share WhatsApp users’ information with Facebook?

31. How does Mark Zuckerberg reconcile his February 2014 statement promising that “We are absolutely not going to change plans around WhatsApp and the way it uses user data,” with Facebook’s August 2016 decision to let Facebook access the information of WhatsApp users, thereby changing how WhatsApp uses user data?
32. How does Facebook reconcile its February 2014 statement, “As we have said repeatedly, WhatsApp will operate as a separate company and will honor its commitments to privacy and security,” with Facebook’s August 2016 decision to let Facebook access the information of WhatsApp users, thereby changing how WhatsApp uses user data?
33. In March 2019, Mark Zuckerberg announced that Facebook was reorienting itself to be a privacy-focused platform. When testifying before the Senate last year, Mr. Zuckerberg said, “Every piece of content that you share on Facebook, you own, and you have complete control over who sees it and how you share it, and you can remove it at any time.” He further testified, “I think we need to take a broader view of our responsibility around privacy than just what is mandated in the current law.” Does this still accurately reflect Facebook’s position?
34. Facebook is involved in litigation in the Northern District of California, in the matter of *In Re: Facebook, Inc. Consumer Privacy User Profile Litigation*, No. 18-MD-02843 VC. During oral argument on May 29, 2019, Facebook argued that “there is no privacy interest” on Facebook and that the mere act of sharing information on Facebook “negated any reasonable expectation of privacy.” Given that Facebook has communicated to users that it is a privacy-focused platform while arguing in federal district court that there “is no privacy interest” on Facebook, is Facebook misleading users or is Facebook misleading the court?
35. There is a case pending in California state court between Facebook and Six4Three, LLC. During the course of this litigation, Facebook has produced documents that are relevant to the House Judiciary Committee’s investigation into digital markets. At the July 16,

2019 hearing, Facebook committed “to cooperate to the fullest extent possible and to act in good faith to respond to the Committee request in a timely and complete manner.”

- a. In light of this commitment, will Facebook agree to voluntarily share with the Committee the documents produced in *Six4Three, LLC v. Facebook, Inc.*, Case No. CIV533328, and any related cases in federal or state court?
 - b. In light of this commitment, will Facebook refrain from taking any actions that would impede the Committee’s efforts to obtain any documents produced in *Six4Three, LLC v. Facebook, Inc.*, Case No. CIV533328, and any related cases in federal or state court?
36. Please identify the percentage of Facebook users that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Facebook, describe the relevant provisions, and identify any types or categories of Facebook user contracts that do not contain a mandatory arbitration clause and/or class action waiver.
 37. Since 2014, how many Facebook users have initiated arbitration proceedings to adjudicate a legal claim against Facebook, in total and broken down by type of legal claim?
 38. Please identify the percentage of Facebook employees that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Facebook, describe the relevant provisions, and identify any types or categories of Facebook employee contracts that do not contain a mandatory arbitration clause and/or class action waiver.
 39. Since 2014, how many current or former Facebook employees have initiated arbitration proceedings to adjudicate a legal claim against Facebook, in total and broken down by type of legal claim?
 40. Please identify the percentage of Facebook contractors that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Facebook, describe the relevant provisions, and identify any types or categories of Facebook contractor contracts that do not contain a mandatory arbitration clause and/or class action waiver.
 41. Since 2014, how many current or former Facebook contractors have initiated arbitration proceedings to adjudicate a legal claim against Facebook, in total and broken down by type of legal claim?
 42. Please identify the percentage of developers that do business with Facebook that are subject to a mandatory arbitration clause and/or class action waiver in their agreement with Facebook, describe the relevant provisions, and identify any types or categories of Facebook’s contracts with developers that do not contain a mandatory arbitration clause and/or class action waiver.

43. Since 2014, how many current or former developers have initiated arbitration proceedings to adjudicate a legal claim against Facebook, in total and broken down by type of legal claim?
44. Please identify the percentage of Facebook employees and contractors that are subject to a non-compete clause in their agreement with Facebook, describe the relevant provisions, and identify any types or categories of Facebook employees and contractors that are not subject to a non-compete clause.
45. Since 2014, how many former Facebook employees and contractors has Facebook sued or initiated arbitration proceedings against in connection with an alleged breach of a non-compete clause? Please break down this number by type of legal relationship (e.g., employee or contractor) and describe the relevant circumstances that gave rise to each suit or arbitration.

Instructions for Responding to Questions for the Record from the Honorable David N. Cicilline, Chairman, Subcommittee on Antitrust, Commercial and Administrative Law of the Committee on the Judiciary

1. Provide a wholly contained answer to each question. A question's answer should not cross-reference answers provided in other questions or previous submissions to the Committee.
2. Provide answers to each question in a machine-readable and searchable format. For example, data should be produced in an Excel spreadsheet.
3. If a question asks for a yes or no answer, provide a yes or no answer first and then provide any subsequent explanation.
4. If a question asks for a choice between two options, state which of the options applies or that neither applies, followed by any subsequent explanation.
5. Any word or term that the Company considers vague or insufficiently defined has the meaning most frequently assigned to it by the Company in the ordinary course of business.
6. If you disagree with the premise of how a question is phrased or structured, respond to the question as written and then articulate both the premise with which you disagree and the basis for that disagreement.
7. To the extent that an answer depends on an ambiguity in the question asked, please state the ambiguity you perceive in the question and provide multiple answers that articulate each possible reasonable interpretation of the question in light of the ambiguity.
8. If it is impossible to answer a question without divulging confidential or privileged information, please clearly state the basis for confidentiality or privilege invoked and provide as extensive an answer as possible without breaching that confidentiality or privilege. For questions calling for answers requiring confidential information, please provide a complete answer in a sealed, confidential form. These materials will be kept confidential until further notice. For questions calling for privileged information, please describe the privileged relationship and identify the privileged documents or materials that, if disclosed, would fully answer the question.
9. In responding to each question, be aware that (unless otherwise determined by the Committee) the Committee does not recognize: any purported non-disclosure privileges associated with the common law including but not limited to the deliberative-process privilege, the attorney-client privilege, and attorney work product protections; any purported privileges or protections from disclosure under the Freedom of Information Act; or any purported contractual privileges, such as non-disclosure agreements.