

HEARING BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON THE JUDICIARY
Subcommittee on Antitrust, Commercial, and Administrative Law

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I. Introduction

Chairman Cicilline, Ranking Member Sensenbrenner, and members of the Subcommittee, thank you for the opportunity to be here today. I'd also like to thank your staff for their professionalism and courtesy in working with our team over the course of your investigation.

Facebook is part of an industry that has changed the world. We face intense competition globally and we only succeed when we build things people find valuable. I'm proud that we stand for American values like giving every person a voice and expanding access to opportunity. As a platform for ideas we'll always be at the center of important debates about society and technology, which is why I've called for new rules for the internet.

II. Facebook's value and the role of competition

Every day, millions of Americans use our services to stay in touch with friends and family and talk about issues that matter to them. People use our apps to share videos, photos, livestreams, posts and private messages; to join communities, set up fundraisers for good causes, and even register to give blood. These services create a lot of value in people's lives, and our business model means we can offer them for free.

We also help millions of businesses connect with customers. Facebook gives small businesses and individual entrepreneurs access to sophisticated tools that previously only the largest players had. Now any business can use our services to establish an online presence, reach potential customers and grow.

We're constantly building new ways to empower people to connect and share. Since Covid-19 emerged, we've seen how important this can be. People use our services to stay in touch with friends and family they can't be with in person; they use our tools to keep their businesses running since the internet stays open even when physical stores cannot.

Facebook supports its mission of connecting people around the world by selling ads, and we face significant competition. We compete against the companies appearing at this hearing, plus many others that sell advertising and connect people. We also compete globally, including against companies that have access to markets that we aren't in.

Our story would not have been possible without U.S. laws that encourage competition and innovation. I believe that strong and consistent competition policy is vital because it ensures that the playing field is level for all. At Facebook, we compete hard, because we're up against other smart and innovative companies that are determined to win. We know that our future success is not guaranteed, especially in a global tech industry defined by rapid innovation. The history of technology is often the history of failure, and even industry leading tech companies fail if they don't stay competitive. This is why we're focused on delivering better services for people and businesses, and competing as vigorously as we can within the rules.

Although people around the world use our products, Facebook is a proudly American company. We believe in values -- democracy, competition, inclusion and free expression -- that the American economy was built on. Many other tech companies share these values, but there's no guarantee our values will win out. For example, China is building its own version of the internet focused on very different ideas, and they are exporting their vision to other countries. As Congress and other stakeholders consider how antitrust laws support competition in the U.S., I believe it's important to maintain the core values of openness and fairness that have made America's digital economy a force for empowerment and opportunity here and around the world.

III. Facebook's History of Innovation

In a competitive economy, innovation leads to improvements that benefit consumers. I understand this is one of the key goals of antitrust law, and it is what Facebook has been focused on since day one. We've consistently added new products for people that enhance their ability to connect and share what matters most to them.

Our service began as a text-based website. Today on Facebook you can share almost any type of digital content; read news; broadcast or watch live video; play games; connect with businesses; buy or sell products; send and receive payments; organize groups and events; and raise money for important causes. WhatsApp provides secure and reliable communication, including voice and video calls. Instagram offers photo sharing with tools to connect and create. And the Facebook family goes beyond software, with hardware products like Oculus and Portal.

We built these new products and services because the intense competitive pressures we face push us to experiment with new ideas. We are always working to develop technologies that will change how people connect and communicate in the future, and we invest around \$10 billion per year in research and development. We know that if we don't constantly keep improving, we will fall behind.

Many of our products were new concepts when we introduced them, and they have served as models for other companies and apps that have used and iterated on our ideas -- including features like News Feed ranking and the Like button that have become foundational to many competitive services. We have also helped advance nascent technologies like artificial intelligence (AI), augmented reality (AR), and virtual reality (VR).

We actively contribute to the open-source community. For example, we developed the PyTorch open-source project, which has become one of the most successful AI development tools and is now used worldwide to create new AI technology and applications. We also released Detectron2, our computer vision technology which we use for integrity work; FAISS, a state-of-the-art search tool for finding similar multimedia documents; and DensePose, for 3D interpretation of 2D images. We offer hundreds of projects like these on Facebook Open Source and GitHub, where our projects have hundreds of thousands of followers. We also share the results of our hardware research: for example, we developed the world's most efficient servers and published the plans so everyone could use them as part of our Open Compute Project. I believe sharing our intellectual property this way helps the entire ecosystem move forward and develop new products.

We create technology to enable social good. For example, our Crisis Response tools allow people to let family and friends know they are safe, share information during a crisis, and help communities recover. Our Safety Check tool has been activated in more than 1,400 crises. In 2018 alone, our community used Crisis Response tools for over 300 crises in more than 80 countries. We've also developed charitable giving tools that make it easy for our community to raise money for causes they care about on Facebook.

People, nonprofits and verified Pages can collect donations from their friends and supporters on Facebook, and so far our community has raised more than \$3 billion. To take just one example, the nonprofit No Kid Hungry has raised over \$5 million from more than 200,000 donors to help feed children across the United States. We also invest in our communities, and have committed to making over \$1 billion in investments in Black and diverse suppliers and communities in the US.

Like many companies, we've both built our own products from the ground up, and we've moved others forward through mergers and acquisitions. Our acquisitions have helped drive innovation for people who use our own products and services and for the broader startup community. Acquisitions bring together different companies' complementary strengths. When you acquire a company, you can benefit from their technology and talent, and when you are acquired you get access to resources and people you otherwise might never have been able to tap into.

Facebook has made Instagram and WhatsApp successful as part of our family of apps. Instagram and WhatsApp have been able to grow and operate their services using Facebook's bespoke, lower-cost infrastructure and tackle spam and harmful content with Facebook's integrity teams and technology.

Following its acquisition, Instagram was able to get help stabilizing infrastructure and controlling runaway spam. It also benefited from the ability to plug into Facebook's self-serve ads system, sales team and existing advertiser relationships to drive monetization, and was able to build products including IG Direct and IG Video that used Facebook's technology and infrastructure. Before it was acquired, WhatsApp was a paid app with a reputation for secure communications; together we built on that by introducing end-to-end encryption and making it free to use. Since its acquisition, WhatsApp has also been able to develop products such as voice and video calling that were built on Facebook's technology stack.

These benefits came about as a result of our acquisition of those companies, and would not have happened had we not made those acquisitions. We have developed new products for Instagram and WhatsApp, and we have learned from those companies to bring new ideas to Facebook. The end result is better services that provide more value to people and advertisers, which is a core goal of Facebook's acquisition strategy.

IV. Facebook Platform

In 2007, we launched the Facebook Platform, a set of tools for developers and businesses to build complementary services on Facebook. Our vision for Platform has always been to foster an ecosystem of apps that build on top of Facebook and create a richer and more interesting experience for people. At the same time, we have developed rules to make Platform work better for everyone and to protect the significant investments we made in capital and talent to develop it. We've made changes to those policies over time to deal with issues as they arose, and to protect user privacy and give people more control over their data. We stand by those changes and will continue to evaluate our policies to address any new issues that arise.

V. The Benefits of Scale

I understand that people have concerns about the size and perceived power that tech companies have. Ultimately, I believe companies shouldn't be making so many judgments about important issues like harmful content, privacy, and election integrity on their own. That's why I've called for a more active role for governments and regulators and updated rules for the internet. If we do this right, we can preserve

what's best about this technology — the freedom for people to connect and express themselves and for entrepreneurs to build new things — while also protecting society from broader harms.

In the meantime, Facebook is working to address problems at scale. From election security to building more privacy-protective products, we are bringing significant technical and financial resources to bear on the challenges we face. For example, we now have more than 35,000 people working on safety and security — three times as many as we had just three years ago. We've built sophisticated systems to find and remove harmful content. We're funding new technologies to tackle emerging threats like deepfakes. And we're building products to connect people to authoritative information, like our recently introduced Covid-19 and voter information centers.

We have a responsibility to work constantly to keep people safe on our platform, and to make sure we're investing to fix our issues and get ahead of new risks. Facebook's size is an asset in those efforts.

VI. Supporting Our Community Through the COVID-19 Pandemic

Our services have supported people and businesses throughout the Covid-19 pandemic. People turn to Facebook to stay connected with their families and friends and get authoritative and up-to-date health information. For many, our services are critical communications tools: group calls in Italy during the early stages of the pandemic jumped by more than 1,000 percent, and in April 700 million people were making video calls every day on Messenger and WhatsApp. Businesses also use our tools to stay connected to customers, shift sales online, and run fundraisers. For many small businesses, being able to operate online is vital and I'm proud that our tools enable this.

We built new products to respond to the crisis. We launched Community Help, which lets people find and offer help in their local area -- everything from volunteering to pick up groceries and assisting with errands to sharing goods and checking in on one another. This is the kind of social infrastructure that companies like Facebook are well positioned to provide.

We connect people to authoritative health information and we're taking aggressive steps to stop Covid-19-related misinformation and harmful content from spreading. In January, we started displaying educational pop-ups in Facebook and Instagram connecting people to authoritative Covid-19-related information from organizations including the CDC, regional health authorities, and the WHO. We also launched the Covid-19 information center, which is now featured at the top of News Feed on Facebook and includes real-time updates from national health authorities and global organizations. Through these efforts across Facebook and Instagram, we've directed more than 2 billion people to resources from health authorities, and we're giving millions in ad credits to health authorities so they can reach people.

We're also using data in new ways to inform the public health response. We partnered with Carnegie Mellon University to launch a Covid-19 Symptom Survey that can help researchers predict the spread of the disease. With millions of responses, researchers are able to get a much more detailed picture of the pandemic. We also contributed aggregated anonymized location data to the Covid-19 Mobility Data Network, a group of 40 health researchers whose work helps governments determine if and where it's appropriate to roll back social distancing orders. I'm proud that we've been able to support people, businesses and the public health effort during this crisis.

VII. Our Responsibility to Our Community

This is an incredibly challenging time, and that's why it's more important than ever that people can have conversations on our platforms about the issues that matter to them – whether that's Covid-19, racial and

social injustice, family and economic concerns, or the upcoming elections. We recognize that we have a responsibility to stop bad actors from interfering with or undermining these conversations through misinformation, attempted voter suppression, or speech that is hateful or incites violence. I understand the concerns people have in these areas, and we are working to address them. While we are making progress – for example, we have dramatically improved our ability to proactively find and remove harmful content and prevent election interference – I recognize that we have more to do.

I know our primary goal at this hearing is to talk about antitrust and competition issues, but with four major tech CEOs appearing before Congress, we also have an opportunity to talk about how technology can better serve society. Each of our companies is doing important work to meet our current responsibilities to our communities, while also planning and investing for a time where we are likely to see significant economic and social disruption. I hope at least some of today's hearing will touch on the future, and how our collective scale and resources could be harnessed to help people and businesses.

For instance, many families are worried about schooling and how to balance home and work obligations going forward. How can we leverage our products to lessen this burden for people? What else can we do to support communities if social distancing orders remain in place? How can we better equip our small businesses to compete, including on the world stage? How else can technology companies assist the public health effort? We don't have all the answers yet, but I hope that our industry continues to look for innovative ways to support our communities through this difficult time.

VIII. Conclusion

Our success rests on our ability to build products that bring value to people's lives -- whether it's finding a supportive Facebook group, starting a business on Instagram, video calling loved ones on Messenger or staying in touch with a friend on WhatsApp.

Facebook is a successful company now, but we got there the American way: we started with nothing and provided better products that people find valuable. As I understand our laws, companies aren't bad just because they are big. Many large companies that fail to compete cease to exist. This is why we're focused on building and updating our products to give people the best possible experiences. Provided we continue investing in new ideas and living up to our broader social responsibilities, I'm hopeful that we'll keep making progress and deliver better products and services -- for the people and businesses that use our products, for the wider tech ecosystem, and for the world.

Several years ago, Facebook moved our headquarters to the campus where Sun Microsystems used to be. We kept their sign out front, on the back of ours, to remind us that things change fast in tech. I've long believed that the nature of our industry is that someday a product will replace Facebook. I want us to be the ones that build it, because if we don't, someone else will. Thank you, and I look forward to your questions.