



Edward Bowles  
Facebook  
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Dear Mr Bowles,

Thank you for giving oral evidence to the Communications and Digital Committee on behalf of Facebook as part of our inquiry into the future of journalism. We are writing to ask you to provide us with clear answers to four questions which your evidence left unresolved. Please take each in turn. We look forward to a response within five working days.

## **1. How much value do you derive from news on your platform?**

Facebook claimed in a recent submission to the Australian Competition and Consumer Commission that “news does not drive significant long-term commercial value for our business.” However, a survey by the Reuters Institute during the 2019 General Election found that 35 per cent of Facebook users visit the site specifically (though not necessarily exclusively) to find news. Ofcom found in its 2019 news consumption survey that 36 per cent of UK adults consume news on Facebook. The Reuters Institute’s Digital News Report 2020 put this figure at 24 per cent (37 per cent of Facebook users, who make up 65 per cent of the population).

It therefore seems implausible that the total revenue Facebook derives from news, whether through advertising displayed alongside news or data about who clicks on it – revenue of which publishers would receive a share if you paid them for the use of their content – is insignificant. We note the argument made by David Dinsmore, COO of News UK and former Chair of the News Media Association, that platforms “are not just monetising the story we publish ... Our content is helping drive the hugely valuable data which they are using to inform the ad-sell to their clients.”

## **2. Please justify your claim that “we have no sense in which there is an imbalance of power” between Facebook and publishers.**

When questioned, you told us: “we have no sense in which there is an imbalance of power – these [publishers] are in themselves very large, powerful organisations”. Is it therefore your contention that publishers would stand to lose no more from their content no longer appearing on your platform than Facebook would?

It is clear that publishers rely significantly on traffic from social media – a market which Facebook and Instagram dominate. According to Ofcom, 49 per cent of UK adults use social media to access news. If Facebook’s claim to the Australian Competition and Consumer Commission that “news does not drive significant long-term commercial value for our business” is correct, is it not therefore clear that publishers need Facebook significantly more than Facebook needs news and therefore Facebook, due to its dominance of the social media market, is in a position to dictate terms?

### **3. Please clarify the details of your communication with publishers.**

You told us: “the algorithms change all the time. We have almost daily meetings with a number of the titles from the companies [News UK and DMG Media] you have just heard from to explain how their content is performing and they can best optimise the take-up of their content”.

Please could you provide details about what form these almost-daily meetings take? Which roles from each organisation are in attendance and what is typically on the agenda? Do you also have similarly frequent meetings with smaller and local publishers?

### **4. Why do you not allow publishers to sell programmatic advertising for ‘instant articles’?**

Peter Wright, Editor Emeritus of DMG Media, told us that Facebook does not allow publishers to use programmatic advertising for ‘instant articles’. He said: “what we can’t do is sell [adverts] through real time bidding in the open market, commonly known as programmatic advertising ... so yes we can sell a limited amount of our own advertising through Facebook instant articles but we’re not free to do it in the way we would like to.”

Please could you explain why Facebook does not allow publishers to do this?

We look forward to receiving your answers.

Yours sincerely,

Lord Gilbert of Panteg  
Chair of the House of Lords Communications and Digital Committee