GOOGLE'S SUBMISSION IN RESPONSE TO
SUBCOMMITTEE QUESTIONS FOR THE RECORD
FOLLOWING SEPTEMBER 15, 2020 SENATE JUDICIARY COMMITTEE HEARING

Written Questions for the Record from the Honorable Mike Lee

1. **For each individual ad impression, is the publisher able to see the original amount of the winning bid, and is the winning bidder able to see how much of its bid is passed on to the publisher? If not, why not?**

   Google works to provide publishers with significant information about their display advertising transactions with Google. For example, Google's Data Transfer Files provide publishers with non-aggregated, event-level data from their ad campaigns. This data is essentially raw content from the Ad Manager ad server logs, with a separate file generated for each type of event. Data Transfer files contain event data that is accurate to the second, and publishers can choose to include other information in the files to see device, geography, and other information related to the event. For more information about the various fields available to publishers, please see https://support.google.com/admanager/answer/1733124?hl=en.

   Google Ad Manager also makes data available to all Authorized Buyers and Open Bidders that indicates to buyers, after the auction, the minimum amount they would have needed to bid to win the ad opportunity. This information helps buyers improve the competitiveness of their bids in the future. This information is more relevant to advertisers than the amounts passed on to the publisher, which can depend upon what other third-party services they may be using to place their bids. Google is not privy to the fees charged by those third parties.

   Publishers also understand how much they are receiving for each ad placement, and advertisers know how much they are paying. We also recently published a blogpost that described how publishers receive at least 69% of the revenues from digital ads when Google's buy and sell-side tools are used together. For more information, please see our June 23, 2020 Ad Manager blogpost, https://blog.google/products/admanager/display-buying-share-revenue-publishers. And notably, the CMA found that our average fees are "*broadly in line with (or slightly lower than) [the CMA's] aggregate market-wide fee estimate.*" (See Chapter 5 and Appendix R of the CMA's final report, July 1, 2020, https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf.) In our blog published in June, we also noted that news publishers in particular typically handle many parts of their own ad placement and sales, and so typically keep 95% of overall digital ad revenue they generate.

   And, of course, publishers and advertisers have choices when it comes to display advertising providers and are not required to use Google. According to independent

surveys, publishers use four to six different platforms to sell ads, and advertisers use an average of three demand-side platforms ("DSPs") to buy ads (and also buy ad inventory directly from publishers like Facebook, Twitter, LinkedIn, and Snapchat that have their own buying platforms). (See May 5, 2020 AdExchanger article, https://www.adexchanger.com/platforms/google-ad-manager-policy-changes-dont-hurt-publishers-according-to-advertiser-perceptions/; July 13, 2020 AdExchanger article, https://www.adexchanger.com/online-advertising/google-reclaims-the-dsp-crown-in-latest-advertiser-perceptions-report/.)

2. **What volume discounts or other similar incentives does YouTube offer to advertisers?**

   Google offers discounts, including volume discounts, and added values via incentive programs, to certain qualified advertisers and ad agencies to incentivize them to accelerate the adoption of and investment in Google's advertising products, including YouTube advertising inventory. An example is our Display & Video Incentives Program, and more information is available at https://support.google.com/adspolicy/answer/141252?hl=en. These incentive programs are only one of many ways Google competes with Facebook, Snap, Twitter, Amazon, The Trade Desk, Rubicon Project, Comcast, AT&T, Verizon, and countless others for display advertising and ad tech dollars.

3. **Comparing six months before and six months after, what impact did the 2016 merging of Google's consumer and adtech data have on revenue for each of: DV360, AdX, YouTube, and Google Search?**

   The wholesale merging of data described in this question is not accurate. It's worth clarifying the changes we made in 2016. The way people use technology has changed. Once, our users logged into our home page from a desktop computer, and now, they are searching for information using multiple devices and expect a seamless experience. In 2016, we wanted to give our users more transparency and control across devices and improve the relevance of the ads we show. For example, if users wanted to mute certain ads or not have personalized ads at all—they could do so once, and it would apply to both desktop and mobile devices.

   Importantly, consistent with our commitment to providing users with choice, transparency, and control on all of our products, we applied the new settings only with express consent. All of our changes were forward-looking, meaning that even for users who opted-in to the new settings, historic "adtech data" was not combined with Google user accounts.

4. **How will Google's announced changes to the use and treatment of cookies in Chrome impact revenues for:**

   a. **Publishers?**

   b. **Google properties, including Search and YouTube?**

   c. **Google App Store?**

   Users are demanding greater privacy—including transparency, choice, and control over how their data is used—and we recognize that the web ecosystem needs to evolve to meet these increasing demands. In August 2019, we announced a new initiative, known as the Privacy Sandbox, to work with the web community and the digital ads industry to develop privacy-preserving and open-standard mechanisms that can sustain a healthy, ad-supported web without the need for third-party cookies. For more information, please see https://www.chromium.org/Home/chromium-privacy/privacy-sandbox.

   Previously, both Apple's Safari and Mozilla's Firefox announced that they would block third-party cookies, but they took these actions without first developing alternative ways to support key existing use-cases. We believe this approach may have unintended consequences for both users and the web ecosystem, and can undermine the business model of publishers who rely on ads to make their content freely available to the public.

   Rather than taking that same approach, in January 2020, we announced our intention to phase out support for third-party cookies in Chrome over the next two years, once we have privacy-preserving mechanisms in place that address the critical use needs of the industry. Although Google is unable to forecast the ultimate effect that change will have on publisher revenue, Chrome has committed to actively working with the industry to make the transition as smooth as possible by building technologies that support key existing use cases like targeting and measurement (while protecting user privacy) before phasing out support for third-party cookies.

   These changes to Chrome will affect all companies that currently rely on third-party cookies, including Google. Chrome treats Google's cookies set on non-Google websites—including the websites of publishers using Google's ad products—as third-party cookies. This is the same treatment Chrome applies to the third-party cookies of others in the ad tech industry.

5. **Under Google's proposed changes to the use and treatment of cookies in Chrome, how will clean-room-based data solutions be treated?**

   Providers like Google, Facebook, and Amazon may offer so-called "clean-room" services where advertisers can use their own first-party data to measure the effect of their ad campaigns against the service-provider's data without gaining access to granular user

information. Although these types of clean-room services take various forms, Chrome's proposed changes wouldn't treat these services any differently than other ad tech services. To the extent these services do not rely on third-party cookies, nothing about Chrome's changes affect whether an advertiser may analyze their first-party information using a "clean-room" service.

6. **What actions will Google take to ensure that its "privacy sandbox" proposal will not adversely affect its competitors to the detriment of consumers?**

   As noted above in our response to Question No. 4, users are demanding greater privacy—including transparency, choice, and control over how we keep their data—and we recognize that the web ecosystem needs to evolve to meet these increasing demands. While other browser developers have blocked third-party cookies, we wanted to implement a transition that worked well for the broader ecosystem, exploring alternative technologies to support key existing use-cases, like fraud detection and ad measurement.

   To that end, in August 2019, we announced our new initiative, known as the Privacy Sandbox, to work with the web community to develop privacy-preserving and open-standard mechanisms that can sustain a healthy, ad-supported web and so render third-party cookies obsolete. We did so in a series of blogs that gave ample time to the web community—a phase out of the support for third-party cookies in Chrome over the next two years, and to ensure we have privacy-preserving mechanisms in place that address the critical use needs of the industry. For more information, please see https://blog.chromium.org/2020/01/building-more-private-web-path-towards.html. We are actively working with the web community and forums like the W3C to develop and test these technologies to ensure they offer improved privacy protections for users while providing publishers and advertisers the tools they need. These changes also will not affect a publisher's ability to use first-party cookies to understand its relationship with its own users.

   Google believes that this collaborative approach, which takes into account the needs of all stakeholders, is a better solution in the long run for users, publishers, and advertisers.

7. **If an owner of personal data with software implemented on many websites has the exact same terms and conditions as Google, will it be allowed to track users in Chrome after 2022, using first-party cookies linked "on the back-end" as Google plans to?**

   We have always been committed to transparency, choice, and control for our users, and our recent announcements are steps we are taking consistent with those commitments. Our goal is for those legitimate use cases that today rely on third-party cookies to instead make use of the privacy-preserving methods being developed in the Privacy Sandbox. For

more information, please see https://www.chromium.org/Home/chromium-privacy/privacy-sandbox.

As noted above in our response to Question No. 4, these changes to Chrome will affect all companies that currently rely on third-party cookies, including Google. Chrome treats Google's cookies set on non-Google websites—including the websites of publishers using Google's ad products—as third-party cookies. This is the same treatment Chrome applies to the third-party cookies of others in the ad tech industry. And again, Chrome's planned changes to third-party cookies will have no effect on first-party cookies, so publishers will continue to be able to use first-party cookies to understand their relationship with their users, as they always have.

8. **Your documentation on Open Bidding doesn't seem to mention to Google Ads, an important demand source. (https://support.google.com/admanager/answer/7128958?hl=en&ref_topic=7512060) When does Google Ads bid in the bidding process? Please provide time-stamped data to help us determine if Open Bidding, Google Ads, Google Ad Manager, and 3rd party sources bid at the same time.**

Our documentation on Open Bidding doesn't mention Google Ads because Google Ads is not an Open Bidder. Open Bidders are third-party ad exchanges and ad networks that participate in the Unified First Price Auction. When Google Ad Manager is requested to conduct an auction for an impression, it sends bid requests to eligible participants, including: third-party bidders participating as Authorized Buyers (e.g., ad networks, trading desks, and demand-side platforms); ad exchanges and ad networks participating in Google's Open Bidding service; and Google-owned bidders, namely Google Ads and Display & Video 360. The bid request also alerts bidders of the window within which they will need to submit a bid if they are interested. To be considered, bidders must submit a bid response within the specified window. Once the eligible bids are received, Google Ad Manager ranks the bids based on their expected payout to the publisher. When the bid is received does not affect the ranking process so long as the bid is received within the specified window. For the avoidance of doubt, Google Ad Manager is the platform that runs the auction.

9. **Is Google opposed to Apple's new user warnings against ad tracking? If so, why?**

Google strongly supports efforts by industry leaders and advertising groups to collaborate toward the goal of achieving a healthy, ad-supported, and privacy-protective user experience. As we announced in our January 2020 blogpost, we are actively working to phase out support for third-party cookies. For more information, please see https://blog.chromium.org/2020/01/building-more-private-web-path-towards.html. We support initiatives to find collaborative solutions, such as the one we announced in January of this year, with the goal to promote user privacy and security while also supporting advertisers and publishers. We also have engaged directly with Apple to understand the

impact of their proposed changes to iOS and will work to encourage user privacy. The advertising space is technologically complex, and we believe it is important to take a deliberative and collaborative approach to get things right.

10. What first-party data does Google receive from AMP? What data do publishers give up by adopting AMP versus traffic to their own sites?

We first want to clarify our relationship with the Accelerated Mobile Pages project ("AMP"). AMP was created through open-source collaboration among a group of technology companies, including Google, Twitter, Pinterest, Adobe, LinkedIn, and others, and nearly 30 like-minded publishers. We were proud to work on this open-source collaboration and note that AMP is not owned, operated, or controlled by Google. Indeed, since earlier this year, AMP has been managed by the OpenJS Foundation, an independent organization that aims to promote a healthy web ecosystem.

Ensuring publishers are able to get robust analytics insight is a core design goal for the Project, and AMP strives to create parity between the user data that publishers can collect on AMP pages and the data that publishers could collect in a traditional non-AMP environment, without violating user privacy expectations.

The types of data Google is able to collect depend on the means through which a user accesses a page (e.g., on the publisher's origin website, through the Google AMP viewer, or through other means, such as a third-party AMP viewer). However, generally, Google limits its data collection from the Google AMP Cache, the Google AMP Viewer, and AMP JS serving to the data collection that is necessary to continue operating its service. AMP currently supports publishers' collection of analytics information using features like "amp-analytics," which can integrate with third-party systems without compromising the AMP file speed or size. Major analytics providers are participating in the project, and more information can be found at https://amp.dev/support/faq/publisher-monetization/.

11. How many Publisher Ad Server clients have ceased using Google Ad Manager's publisher ad server in favor of a rival technology platform in the past 5 years? What percentage of Google Ad Manager publisher ad server customers have ceased using it?

Publishers have many options when it comes to choosing an ad server, including solutions offered by AdForm, AT&T's Xandr, Comcast's FreeWheel, PubMatic, Smart, SpotX, ironSource, Twitter's MoPub, and others. Other publishers have decided to build their own in-house ad serving systems. Publishers are also able to use ad networks (without a separate ad server) to serve ads on their sites, or forgo the use of an ad server by placing an ad tag on their web page that directly connects to sell-side tools. Google does not

systematically track in the ordinary course of business the historic number or percentage of its Google Ad Manager customers that have ceased using that product.

12. **I understand Google has claimed that Header Bidding caused advertisers to bid against themselves and drive up their costs without a corresponding increase in value. Can you provide examples of advertisers complaining about this?**

    One example is The Trade Desk (one of the most popular demand-side platforms and a "heavyweight buyer" in the programmatic space), which has requested that exchanges stop sending duplicate bid requests, which numbered as high as 18 identical bid requests for the same ad impression, in order to help prevent self-competition. (See April 21, 2020 AdExchanger article, https://www.adexchanger.com/platforms/the-trade-desk-suppresses-bid-duplication-amid-covid-19-traffic-surge/.)

13. **When Google disclosed its fees to publishers, did that include publishers that do not use Google Ad Manager? If not, why not?**

    Google has disclosed information regarding fees to publishers. For example, Google disclosed on its public pages that in 2019 publishers using Google Ad Manager kept over 69% of the revenue generated when that ad inventory was purchased using Google Ads or Display & Video 360. (See June 23, 2020 Ad Manager blogpost, https://blog.google/products/admanager/display-buying-share-revenue-publishers.)

    Google has also publicly disclosed its revenue share when publishers use AdSense, Google's ad network, to sell their ad inventory. (See AdSense revenue share, https://support.google.com/adsense/answer/180195?hl=en.)

14. **You mentioned during your testimony that many Google publisher customers use a large number of ad tech tools provided by competitors to Google. For those customers, what percentage of their advertising revenue comes from or through Google?**

    According to independent surveys, publishers use four to six different platforms to sell ads. (See May 5, 2020 AdExchanger article, https://www.adexchanger.com/platforms/Google-ad-manager-policy-changes-dont-hurt-publishers-according-to-advertiser-perceptions/.) However, publishers typically do not tell Google how much of their ad revenue is attributable to sales made using Google's advertising technology tools as compared to those of third parties. Furthermore, many large publishers generate much of their ad revenue directly through contracts with advertisers or agencies as opposed to using sales platforms offered by ad tech intermediaries. Therefore, Google is unable to accurately calculate the percentage of multihoming publishers' ad revenue that is attributable to sales made using Google's advertising technology tools.

15. **Please name any competitor to Google that provides *all* of the following services: advertiser ad server, demand side platform, supply slide platform (including ad exchange), and publisher ad server.**

A number of Google competitors provide both buy-side and sell-side tools, including AT&T's Xandr, Adform, Amazon, Verizon, Comcast, Smart, and Twitter. Additional competitors are vertically-integrated on either the demand or supply side, including Adobe, Magnite, MediaMath, and PubMatic. Many others—such as The Trade Desk, which has a $29 billion market cap (see Bloomberg, https://www.bloomberg.com/quote/TTD:US (as of Oct. 19, 2020))—effectively compete with Google without such vertical integration.

16. **Google claims that it competes with Facebook and Amazon, among others, for online advertising.**

    a. **What percentage of advertisers that use Google's ad server product also use an ad server product from Facebook and/or Amazon?**

Advertisers typically do not tell Google when they are using a third-party ad server in conjunction with Google's Campaign Manager. Regardless, both Facebook and Amazon are highly popular advertising platforms and provide buy-side "self-serve" platforms that advertisers use to access that ad inventory.

    b. **What percentage of advertisers that use Google's demand side platform product(s) also use a demand side platform product from Facebook and/or Amazon?**

According to independent surveys, advertisers use an average of three DSPs to buy ads. (See July 13, 2020 AdExchanger article, https://www.adexchanger.com/online-advertising/google-reclaims-the-dsp-crown-in-latest-advertiser-perceptions-report/.) For example, Amazon's DSP typically vies with Google's Display & Video 360 to be the most used demand-side platform (according to industry surveys). Amazon has reportedly seen spend with its DSP grow 44% in a single quarter (Q3 to Q4) in 2019 and at least 27% in the preceding two quarters. (See Tinuiti, "Amazon Ads Benchmark Report" (Q4 2019), https://tinuiti.com/content/guides/amazon-benchmark-report-q42019/.) Advertisers also have many other DSPs to choose from, including Adform, Addition, Adobe, Adot, Criteo, Epom, MediaMath, Rakuten Marketing, Roku's DataXu, SingTel's Amobee, Tabmo, The Trade Desk, RTL Group's SpotX, Verizon Media, AT&T's Xandr, and Zeta. Advertisers can also decline to utilize a DSP entirely and purchase video inventory directly from publishers, particularly large publishers like Facebook, Twitter, LinkedIn, and Snapchat, that have developed their own buying platforms.

c. On an annualized basis, what percentage of Google's advertiser ad server revenue has been lost to Facebook? To Amazon?

Google does not systematically track in the ordinary course of business the percentage of ad serving revenue it has lost to other ad servers or Facebook's buying platform. Advertisers have many options when it comes to choosing an ad server, including solutions offered by Adform, AdGlare, Adslot, Addition, Amazon's Sizmek, Unilever's Celtra, Clinch, Epon, Extreme Reach, Flashtalking, Innovid, OpenX, Verizon Media, Weborama, and Zedo.

d. On an annualized basis, what percentage of Google's demand side platform revenue has been lost to Facebook? To Amazon?

Google does not systematically track in the ordinary course of business the percentage of DSP revenue it has lost to other DSPs or Facebook's buying platform. According to independent surveys, advertisers use an average of three DSPs to buy ads at any given time. (See July 13, 2020 AdExchanger article, https://www.adexchanger.com/online-advertising/google-reclaims-the-dsp-crown-in-latest-advertiser-perceptions-report/.) Advertisers can also easily shift spend among properties, including Google, Facebook, Amazon, and many others, making it very difficult to calculate lost revenue.

e. What percentage of Google advertiser customers view Facebook and/or Amazon as substitutes for Google's advertiser products, as opposed to complements to those products?

We can't speak to our customers' views, but we see Facebook and Amazon as among the many firms with whom we must compete for limited advertising budgets.

f. How many advertisers have completely left Google's advertising platform to use Facebook's or Amazon's instead? Vice versa?

Google does not systematically track in the ordinary course of business how many advertisers have completely left Google's advertising platform to use Facebook's or Amazon's advertising platforms. All three platforms offer large amounts of ad inventory, and Google expects that many advertisers buy inventory across a combination of all three platforms and shift advertising budgets across platforms depending on campaign performance.

17. What data are publisher and advertisers allowed to export from Google's ad tech products? What data are publishers and advertisers prohibited from exporting?

We've taken strong measures to protect user privacy, and we do not sell users' personal information to anyone. We also do not share user data with third parties except as described in our Privacy Policy, such as when the user consents or with our service providers. Google may share non-personally identifiable information with specific partners, which collect information from a user's browser or device for advertising and

measurement purposes using their own cookies or similar technologies. For more information, please see https://policies.google.com/privacy/google-partners.

Google provides both publishers and advertisers a number of data-driven metrics, the details of which depend on the precise tools they are using, to help them understand how best to monetize their inventory and improve the performance of their ad campaigns, respectively. For publishers, these metrics include impressions, conversions, clicks, revenue, and estimated cost per thousand page views (CPM). A complete list of the metrics provided by Google Ad Manager is available in the Ad Manager Help Center at https://support.google.com/admanager/table/7568664?hl=en. AdSense's reporting mechanisms are described in its Help Center at https://support.google.com/adsense/answer/9831227?hl=en&ref_topic=1250111. And publishers using Ad Manager 360 who desire more detailed reporting (including both winning and losing bids) can access it for an additional charge, as described in the Help Center at https://support.google.com/admanager/answer/1733124?hl=en.

Advertisers using Google Ads, meanwhile, can access a similarly broad set of metrics about their ad campaigns, including cost, clicks, and impressions, through that product's reporting tools, as more fully described at https://support.google.com/google-ads/topic/3119143?hl=en&ref_topic=3119141,3181080,3126923. Display and Video 360 and Search Ads 360 also offer their own reporting tools for their users, as described in the Help Center at https://support.google.com/displayvideo/answer/6172804?hl=en and https://support.google.com/searchads/topic/2389226?hl=en&ref_topic=1220627, respectively.

In some instances, export of disaggregated information is limited due to privacy concerns or other legal requirements. Google is nonetheless committed to providing its users with robust reporting tools that are comparable or superior to those provided by Google's competitors while protecting user privacy.

Written Questions for the Record from the Honorable Amy Klobuchar

According to a Google submission to Australia's competition enforcers, it was DoubleClick that developed the so-called "Dynamic Allocation" feature that Google later implemented to give users of Google's ad exchange the exclusive ability to submit the bids in real time for publishers' ad space. Google later introduced "Enhanced Dynamic Allocation" to expand the scope of the program. Critics and competitors have complained that, until recently, these features gave Google an unfair advantage over rival exchanges because Google AdX had the option to top the winning bid after an auction had ended for everyone else.

- **Was "Dynamic Allocation" a feature that induced Google to acquire DoubleClick?**
- **How does Google justify giving its own exchange such a significant bidding advantage over rival exchanges?**
- **How do you respond to claims that Dynamic Allocation and Enhanced Dynamic Allocation resulted in a significant increase in Google AdX's market share?**

Google acquired DoubleClick in 2008 to offer superior tools for targeting, serving, and analyzing online ads of all types, to the significant benefit of customers and consumers. The acquisition allowed Google to deliver an improved experience on the web by increasing the relevance and quality of the ads a user sees. DoubleClick's technology also allowed Google to more quickly improve publishers' access to new advertisers and for advertisers to optimize their spend.

At the time of the acquisition, Google did not have a commercially-available ad server or ad exchange. DoubleClick, in contrast, had an ad server and had just launched an exchange of its own. Part of the feature-rich and innovative technologies the DoubleClick acquisition offered included Dynamic Allocation. Dynamic Allocation was not built to give Google an advantage in the ad exchange.

Dynamic Allocation and Enhanced Dynamic Allocation were designed to help publishers increase competition for their ad inventory and increase their revenue. In 2016, the Canadian Competition Bureau investigated the impact of Dynamic Allocation and concluded that it had "no exclusionary effect on competing ad exchanges." (See the Competition Bureau's statement from April 19, 2016, available at https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04066.html.) In addition, the U.K. Competition and Markets Authority (CMA) stated that the Dynamic Allocation feature that some refer to as "'last look' was not intentionally designed to give AdX an advantage when competing against header bidding; it was simply the result of the header bidding auction taking place before the AdX auction was able to run." (See Chapter 5 of the CMA's July 1, 2020 Market Study Final Report regarding "Online Platforms and Digital Advertising," available at https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf.)

These findings are consistent with the current ad exchange landscape in which Ad Manager competes with hundreds of companies, including well-known tech companies with ad exchanges; supply-side platforms (which are now largely functional equivalents); and those that sell their own inventory, such as Amazon, Facebook, Adform, and Twitter. Other companies include OpenX, AT&T's Xandr, Verizon (Verizon Media Exchange), Index Exchange, PubMatic, Genesis, Beachfront, Comcast's FreeWheel, Smar+, RTL Group's SpotX, AdTelligent, AppLovin, Chartboost, Altice's Teads, Sovrn, Magnite, TripleLift, Smaato, Epom, Fyber, IronSource, and InMobi.

The proportion of advertisers' ad spend that is retained by ad technology providers has been referred to as the "take rate." Excessive take rates can deprive publishers of revenue and potentially place upward pressure on the prices that advertisers must pay. Various studies have measured Google's take rate to be between 30 percent and 70 percent, and critics have accused the company of taking "hidden fees" that are invisible to advertisers and publishers through its control of businesses at various levels of the ad tech stack.

- **How are take rates of 30 percent or more consistent with Google's assertions that ad technology markets are highly competitive?**

We believe in transparency and have agreements with publishers and advertisers so they know what fees they pay. Specifically, publishers understand how much they are receiving for each ad placement, and advertisers know how much they are paying. We also recently published a blogpost that described how publishers receive at least 69% of the revenues from digital ads when Google's buy- and sell-side tools are used together. For more information, please see https://blog.google/products/admanager/display-buying-share-revenue-publishers. And notably, the CMA found that our average fees are "*broadly in line with (or slightly lower than) [the CMA's] aggregate market-wide fee estimate*." (See Chapter 5 and Appendix R of the CMA's July 1, 2020 Market Study Final Report regarding "Online Platforms and Digital Advertising," https://assets.publishing.service.gov.uk/media/5efc57ed3a6f4023d242ed56/Final_report_1_July_2020_.pdf.)

In our blogpost published in June, we also noted that news publishers, in particular, typically handle many parts of their own ad placement and sales, and so typically keep 95% of overall digital ad revenue. For more information, please see https://blog.google/products/admanager/news-publishers-make-money-ad-manager.

Publishers and advertisers don't have to use Google's tools, and even when they do, they can either switch to competing products or even use them simultaneously. According to independent surveys, publishers use four to six different platforms to sell ads, and advertisers use an average of three DSPs to buy ads (and also buy ad inventory directly from publishers like Facebook, Twitter, LinkedIn, and Snapchat that have their own buying platforms). For more information, please see the May 5, 2020 AdExchanger article available at https://www.adexchanger.com/platforms/google-ad-manager-policy-changes-dont-hurt-publishers-according-to-advertiser-perceptions/, as well as the July 13, 2020 AdExchanger article available at https://www.adexchanger.com/online-advertising/google-reclaims-the-dsp-crown-in-latest-advertiser-perceptions-report/. Ad tech is a complex, highly competitive ecosystem, but we believe it's working to the benefit of publishers, advertisers, and users, and we hope to continue succeeding by building the best products for our users.

- **Even though the United Kingdom's Competition and Markets Authority did not find evidence that Google was extracting significant hidden fees during one week in March 2020, they did conclude that Google "retains the ability and incentive to do so." Without antitrust enforcement, what would stop Google from significantly increasing its take rate through hidden fees that cannot be observed by advertisers, publishers or Google's competitors?**

Google designs its advertising technology products to meet the needs of advertisers, publishers, and users, all of whom benefit from a healthy ad-supported Internet ecosystem.

Not only is "extracting significant hidden fees" inconsistent with this objective, it is also not feasible given the crowded and competitive online display advertising industry. Google faces significant competition from a large number of vertically integrated ad tech providers like Facebook, Amazon, AT&T, Comcast, Verizon, and Adform, as well as other providers such as Amobee, AppLovin, Chartboost, Criteo, Extreme Reach, Flashtalking, Innovid, IronSource, Magnite, MediaMath, OpenX, Pubmatic, Smart, SpotX, The Trade Desk, Weborama, and many more. Moreover, publishers and advertisers have choices when it comes to display advertising providers. They are not required to use Google. In fact, as noted above, publishers and advertisers use multiple platforms to sell and buy ads—according to independent surveys, publishers use four to six different platforms to sell ads, while advertisers use an average of three DSPs to buy ads (and also buy ad inventory directly from publishers like Facebook, Twitter, LinkedIn, and Snapchat that have their own buying platforms).

Written Questions for the Record from the Honorable Joshua Hawley

1. **Many consumers, in search of a more streamlined web browsing experience, use ad blocking software. Some of those ad blocking tools will "whitelist" the ads of companies willing to pay them a certain fee. Given Google's dominance in search, location services, and other fields outside the ad tech space, Google is uniquely positioned to generate the surplus funds necessary to pay such fees and have its ads displayed—an advantage that its competitors who are engaged solely in the ad tech business lack.**

   Does Google ever pay to circumvent ad blocking software?

   Google's business model is based on generating revenues through online advertising while at the same time offering a number of services, such as the use of its search engine, for free. Google therefore has an interest in ensuring that online advertising that is relevant to the user is displayed. Google, like other companies, has paid certain ad-blocking tool

providers to allow Google's search ads to show when those ads meet the provider's ads quality criteria.

2. **In your testimony, you stated that "*The Federalist* actually uses 30 different tools to help it monetize its content, and so it has many choices if it's unhappy [with] how we're providing services."**

   Please explain which "30 different tools" you were referring to, and which (if any) of them are functional substitutes for one another.

   The digital ads space is crowded and competitive. There's a wide range of choices for both publishers and advertisers, many of whom use several different ad tech providers at the same time. A review of *The Federalist's* public website prior to the hearing showed that it had authorized approximately 30 publisher-side tools to help monetize or sell content, only one of which was Google. The current publicly-available list is available at https://thefederalist.com/ads.txt. This competitive ecosystem supports the availability of free-to-consumer content online, which has a broader, positive impact on consumers.

3. **In your testimony, you stated that when controversies arise over the contents of a comments section on a page using Google ad tech, sites "can do a click-through. And there are many large publishers like *The New York Times* that have a click-through on their comments section so they don't show ads on that section in which they're commenting." However, prior to its decision to remove comments sections entirely, *The Federalist* used a Disqus-based commenting plugin that required the user to consciously click a downward-pointing arrow in order to display article comments.**

   Why did the click-through approach to displaying comments used by *The Federalist* not meet Google's standard?

   We—like other platforms—have policies that govern the type of content that we will run advertising against. For more information, please see Google's Publisher Policies, available at https://support.google.com/adsense/answer/9335564. Those policies are in place for many reasons, including ensuring a good experience for people viewing our advertisers' ads, preventing user harm, and helping to ensure that ads follow applicable laws. Critically, they provide a framework informing businesses advertising on our services what kinds of content their ads will and will not run against. Advertisers have repeatedly told us that they do not want their ads appearing next to content that contains hate speech or similarly offensive material. Accordingly, our dangerous or derogatory content policy, available at https://support.google.com/adsense/answer/9335564, expressly prohibits content that incites hatred against, promotes discrimination against, or disparages an individual or group on the basis of race or ethnic origin.

   As we noted in our blogpost on managing the risks associated with user content, available at https://blog.google/products/adsense/manage-risks-associated-with-user-comments/,

we have made it clear that we strongly encourage publishers to place unmoderated comments on a separate page that does not run Google ads, requiring a "click through." In contrast, clicking a "downward-pointing arrow" is a way to more efficiently navigate to the comments section, but it keeps viewers on the same web page where ads are displayed.

After the comments at issue came to our attention and we completed our review process, we contacted the publisher of *The Federalist* and supported them in addressing the issue, as we often do with publishers in similar circumstances who would like to continue to monetize. *The Federalist* had several choices available to it. They opted to remove *The Federalist's* comments section so that they could serve ads against their other content. Alternatively, they could have chosen to moderate their comments section and remove comments that violate the policy. They also could have done what other publishers do: create a "click through" comments section without ads, while still running ads against their own content. Or, they could have monetized their content by running ads from one of our many competitors they monetize their content with.

Our platforms have empowered a wide range of people and organizations from across the political spectrum, giving them voices and unprecedented ways to reach their audiences. And we are proud to provide ads to a wide range of publishers with a wide variety of viewpoints. That said, no service should be required to include hateful or offensive content in its inventory of content that service makes available to advertisers, and no advertiser should be required to advertise against such content.

Written Questions for the Record from the Honorable Cory Booker

1. **For years, Google promised to protect its users' personally identifiable information from its subsidiary DoubleClick's database of web-browsing records, but in 2016 Google updated its privacy policy to allow for just that—existing users were asked to opt into the new policy while new users agreed to it by default.[1]**

   The evolution of Google's commitment to separate and protect its users' data from the database maintained by its subsidiary DoubleClick takes on particular significance as Google repeatedly promises to not use or share personal data gathered by Fitbit should Google's acquisition of Fitbit go through.[2]

[1] Suzanne Monyak, *Google Changed a Major Privacy Policy Four Months Ago, and No One Really Noticed*, Slate (Oct. 21, 2016), https://slate.com/technology/2016/10/google-changed-a-major-privacy-policy-and-no-one-really-noticed.html.

[2] Gretchen Frazee, *Google Bought Fitbit. What Does That Mean for Your Data Privacy?*, PBS NewsHour (Nov. 1, 2019), https://www.pbs.org/newshour/economy/making-sense/google-bought-fitbit-what-does-that-mean-for-your-data-privacy.

a. **What percentage of active Google users currently have their data shared with DoubleClick?**

b. **What caused Google to renege on its commitment to not share its users' data with DoubleClick?**

Google works to build privacy controls that are easy to use, so users can choose the privacy settings that are right for them.

It's not the case that Google broke a commitment regarding DoubleClick data—we understood that people were concerned that we would take Google's Search data and merge it with DoubleClick's advertising data without user consent and, to be clear, that did not happen.

The way people use technology has changed. Once, our users logged into our home page from a desktop computer and now, they are searching for information using multiple devices and expect a seamless experience. In 2016, we wanted to give our users more transparency and control across devices and improve the relevance of the ads we show. For example, if users wanted to mute certain ads or not have personalized ads at all—they could do so once, and it would apply to both desktop and mobile devices.

Importantly, consistent with our commitment to providing users with choice, transparency, and control for all of our products, we applied the new settings only with express consent. All of our changes were forward-looking, meaning that even for users who opted-in to the new settings, historic "DoubleClick" data was not combined with Google user accounts.

c. **What assurances can Google provide to regulators that it will not use or share personal data acquired by Fitbit should Google acquire Fitbit?**

Our commitment is to give users choice, transparency, and control over their data in our products and services, and Fitbit will be no exception. We have made several public commitments regarding Fitbit data. In November 2019, we promised "[w]e will never sell personal information to anyone." For more information, please see this post dated November 1, 2019, "Helping more people with wearables: Google to acquire Fitbit," https://www.blog.google/products/hardware/agreement-with-fitbit/. This commitment extends to Fitbit user data. In the same announcement, we publicly committed that "Fitbit health and wellness data will not be used for Google ads" and that we would "give Fitbit users the choice to review, move, or delete their data." We will keep these promises.

2. **News publishers have expressed concerns that Google is abusing its market power to force publishers to accept deals for less money and with few restrictions on how Google can use their content. In particular, news publishers say they are forced to use Google's Accelerated Mobile Pages, which allows Google to collect data that would otherwise be valuable to the publishers if they want their content to appear**

toward the top of Google's search results. While Google has denied that the use of Accelerated Mobile Pages has a direct impact on search rankings, Google has said that speed is a ranking factor for Google searches.[3]

a. Would you say that, on average, news publishers who use Google's Accelerated Mobile Pages rank higher for Google's searches than publishers that do not use Accelerated Mobile Pages for both mobile devices and desktop computers?

b. Has Google run A/B tests[4] on identical content from the same publisher to ensure that publishers who use Google's Accelerated Mobile Pages do not receive preferential treatment or a higher ranking for Google searches?

We first want to clarify our relationship with the Accelerated Mobile Pages ("AMP") project. AMP was created through open-source collaboration among a group of technology companies, including Google, Twitter, Pinterest, Adobe, LinkedIn, and others, and nearly 30 like-minded publishers. We were proud to work on this open-source collaboration and note that AMP is not owned, operated, or controlled by Google. Indeed, since earlier this year, AMP has been managed by the OpenJS Foundation, an independent organization that aims to promote a healthy web ecosystem.

We also want to clarify that a web page's status as an AMP page is not one of the factors considered by Google's Search algorithms—content does not receive any ranking advantage in general Google Search results merely because it is AMP, and content is not penalized in organic Google search results for being non-AMP. Because Google's complex Search algorithms consider numerous factors in order to determine a page's ranking, it's challenging to determine whether, all other things being equal, news publishers who use AMP rank higher in Google's search results than publishers who do not use AMP.

Loading speed, which may be affected by AMP usage, is one of the many factors accounted for in Google's search algorithms. This benefits Google users, who are likely to be frustrated by a result that highly ranks a slow-loading page when a relevant, quick-loading alternative is readily available. Penalties for slow loading have been part of Google's Search algorithm since long before AMP, are designed to affect only the small fraction of pages that deliver the slowest experience to users, and in fact, only do affect a small percentage of queries. It is also important to note that Google's algorithm applies the

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[3] David McLaughlin & Ben Brody, *Google Attacked by Publishers for Refusing To Pay for News*, Bloomberg (June 18, 2020), https://www.bloomberg.com/news/articles/2020-06-18/google-attacked-by-news-publishers-over-pay-for-content.

[4] *See, e.g.*, Amy Gallo, *A Refresher on A/B Testing*, HARV. BUS. REV. (June 28, 2017), https://hbr.org/2017/06/a- refresher-on-ab-testing ("A/B testing, at its most basic, is a way to compare two versions of something to figure out which performs better.").

same standard to all pages, regardless of the technology (AMP or otherwise) used to build the page. And the intent of the search query is still a very strong signal impacting ranking, so a slow page may still rank highly if it has particularly relevant content.

There are limited features within Search that currently require AMP content for user experience and/or technical reasons. For example, within mobile Web Search, Google offers a type of search result called the "Top Stories Carousel," in which a selection of fast-loading mobile pages (typically content like news or recipes) are displayed together so that a user can quickly "flip" through them on their mobile device. In certain Google mobile search results, the desired user experience involves being able to click on an article in the Top Stories Carousel and then swipe between full pages of content in a "viewer" (essentially an AMP gallery). To support this feature, Google's mobile Top Stories Carousel requires caching, and therefore all pages in the Top Stories Carousel must be AMP pages. Swiping from AMP to non-AMP content would force the user to "break out" of the AMP viewer, raising the likelihood that the user would swipe to a blank page that requires more time to load because it was not pre-rendered from the Google AMP cache and in turn, undermining the user experience. In addition, AMP preserves user privacy by allowing pages within the carousel to be pre-rendered without sending user request data to the publisher until the user chooses to do so, for example, by clicking on an article.

To be clear, the requirements detailed above apply only to content that publishers wish to have considered for inclusion in the Top Stories Carousel, and even though non-AMP content cannot appear in the carousel, it can appear everywhere else on the Search results page, including as part of the "Top Stories" block that frequently appears above the Carousel. We also note that in May 2020, we publicly announced that beginning in 2021, Google Search will remove the AMP requirement for inclusion in the Top Stories Carousel and replace it with a broader set of technology-neutral metrics measuring the user's actual experience on given web pages. For more information, please see https://webmasters.googleblog.com/2020/05/evaluating-page-experience.html. This same ranking factor, known as Page Experience, will also inform a page's organic search ranking. The use or non-use of AMP will not factor into those metrics, although Google will continue to link to AMP versions of pages when publishers choose to offer them. As we have announced, those changes are being delayed until 2021 to allow publishers and their web teams to focus on their efforts to respond to the effects of COVID-19.

3. **Please describe any relationship that Google or any of Google's subsidiaries have with data brokers.**

Google does not sell users' personal information, nor does it share personal information with data brokers. Google shares personal information only in the specific circumstances described in our Privacy Policy, available at https://policies.google.com/privacy?hl=en-US, including:

- With user consent. For example, if users use Google Home to make a reservation through a booking service, we'll get their permission before sharing their name or phone number with the restaurant.

- For external processing. We provide personal information to our affiliates and other trusted businesses or persons to process it for us, based on our instructions and in compliance with our Privacy Policy and any other appropriate confidentiality and security measures. For example, we use service providers to help us with customer support.

- For legal reasons, such as to meet any applicable law, regulation, legal process, or enforceable governmental request.

We do have relationships with companies such as The Nielsen Company, LLC, which employs its analytics tools on YouTube to collect non-personally identifiable information about a users' browser or device to determine advertising measurements. This enables advertisers to have an independent, third-party verification of their ads' reach. We describe this in more detail in our Privacy Policy section on Google partners, available at https://policies.google.com/privacy/google-partners.

a. What steps does Google take to ensure its users' data are protected from developers who have access to their users' data?

Google's priority is to protect users' privacy and to work to ensure they can trust our products. Google does not sell users' personal information to anyone. We also do not share user data with third parties except as described in our Privacy Policy, including as described in the answer to Question No. 3 above. Developer access to user data is limited in two primary ways: first, through the Google Play Developer Distribution Agreement, for access to Google Play; and second, through API or other service specific terms, policies, and documentation for specific Google products and services.

- For an app to be distributed through Google Play, the Google Play Developer Distribution Agreement requires developers to follow the Developer Program Policies and collect and use data in accordance with Google's Privacy Policy. For more information, please see https://play.google.com/about/developer-distribution-agreement.html; https://play.google.com/intl/en-US/about/developer-content-policy/; and https://www.google.com/intl/en_us/policies/privacy/?fg=1.

- Android apps that collect and use personal and sensitive user data are required to have a privacy policy for the app posted in the Play Developer Console, as well as in the app itself. For more information, please see https://support.google.com/googleplay/android-developer/answer/9914283?visit_id=637370259100511139-2535490079&rd=1.

- Developers that access Google user data through Google APIs or other services are

also subject to service scope restrictions regarding collection and use of user data, such as through our Google APIs Terms of Service. For more information, please see https://developers.google.com/terms/api-services-user-data-policy, https://cloud.google.com/terms/?_ga=2.169880544.-1900816820.1599080383, and other developer documentation related to the specific service.

- For certain types of access requests, for example, we require OAuth application verification. For more information, please see https://support.google.com/cloud/answer/9110914#restricted-scopes.

These terms, policies, and documentation are aimed at providing Google users with privacy, transparency, and security across the Google and Google-enabled ecosystem of apps and services.

Google takes its privacy and security responsibilities very seriously. We actively review and investigate developers and apps that appear to be in non-compliance with applicable terms and policies regarding the collection and use of user data. From time to time, we identify situations affecting users that can be resolved through enhanced developer transparency to users or through limitations on access. In a number of cases, however, we have taken steps to suspend or terminate app distribution through Google Play and/or developer access to APIs and other services. We take these issues seriously and will continue to review and monitor developer practices relating to user privacy and security.

4. **Google has emphasized the measures it has taken to ensure that those who advertise on their platform do not have their advertisements shown next to offensive content, yet there have been instances of companies' ads being shown next to ISIS recruiting videos on YouTube.[5]**

   a. **What process does Google and/or YouTube have in place to ensure that ads are not shown next to offensive content on their own platforms?**

   b. **Does Google hold its own platforms to the same or a higher standard than it holds other platforms?**

   Google helps to enable a free and open web by helping publishers monetize their content and advertisers reach prospective customers with useful, relevant products and services. Maintaining trust in the ads ecosystem requires setting limits on what we will monetize. As such, we—like other platforms—have policies that govern the type of content that we will run advertising against. Those policies are put in place for many reasons, including ensuring a good experience for people viewing our advertisers' ads, preventing user harm,

[5] *E.g.*, *Ads Shown Before YouTube ISIS Videos Catch Companies Off-Guard*, NBC News (Mar. 10, 2015), https://www.nbcnews.com/storyline/isis-terror/ads-shown-isis-videos-youtube-catch-companies-off-guard-n320946.

and helping to ensure that ads follow applicable laws. Critically, they provide a framework informing businesses advertising on our services what kinds of content their ads will and will not run against. We understand the concerns of our advertisers, who do not want their advertisements to appear on content that users and advertisers could find offensive.

As to YouTube, we provide advertisers with many tools to control the placement of their ads. Advertisers can target specific topics, so that their ads appear alongside content related to those topics, and they can also target specific placements, so that their ads appear alongside certain YouTube channels or videos. Just as advertisers can target specific topics and placements, they can also exclude topics or placements where they don't want their ads to show. More information about how advertisers can ensure that their ads don't run on certain channels or alongside certain content can be found at https://support.google.com/google-ads/topic/3119080?hl=en&ref_topic=3119122.

We also have longstanding business-driven guidelines on YouTube that prohibit ads from running on videos that include extremist or hateful content, and we enforce these rigorously. We've publicly discussed these actions in our blogs, available at https://blog.youtube/news-and-events/expanding-our-work-against-abuse-of-our and https://youtube.googleblog.com/2019/06/our-ongoing-work-to-tackle-hate.html. When publishers seek to monetize their content by having us place ads alongside it, our systems regularly review that content for potential violations of our policies. To put this in context, we took down 2.7 billion ads that violated our policies last year—that's more than 5,000 bad ads per minute.

We also hold ourselves to as high, if not a higher, standard than other publishers. And we apply our policies as objectively and consistently as possible, across all categories of sites, and treat them all with equal seriousness and fairness. Our ads policies are designed to protect users and ensure that advertisers and publishers are using our platforms in a responsible manner. We apply our policies consistently to everyone, no matter who they are—our approach will continue to be about protecting our users and ensuring the integrity of our platforms.

5. **Google has announced that it plans to "phase out" third-party cookies from its Chrome browser by 2022.[6] While this move could potentially have significant positive implications for online privacy in a number of ways, it could also increase Google's advertising market power and consolidate its control over users' data. As one analysis has explained, for example, "Eliminating third-party trackers simply maintains Facebook's and Google's ability to track consumers and gather enormous amounts of data about us while also preventing many of their advertiser competitors from doing the same."[7]**

   a. **In what specific ways does Google believe this move will benefit users' privacy?**

   b. **How did actions by competing browsers such as Firefox and Safari to ban third-party cookies affect Google's decision to phase out third-party cookies on Chrome?**

   c. **Will this move give Google more power in the advertising market and more control over users' data? If so, what steps is Google taking to ensure adequate competition with advertiser competitors and protection of even more concentrated user data in light of this decision?**

   Advertising is critical to sustaining a healthy, open web, and we believe that, together with the web ecosystem, we can build new technology to continue delivering relevant ads without revealing users' cross-site browsing activity. We have always been committed to transparency, choice, and control over how we keep users' data—and we recognize that the web ecosystem needs to evolve to ensure we meet those commitments.

   That is why, in January 2020, we announced our intention to phase out support for third-party cookies in Chrome, while working across the ecosystem with browsers, publishers, and advertisers on new technologies to build a more trustworthy and sustainable web. For more information, please see our blogpost at https://blog.chromium.org/2020/01/building-more-private-web-Path-towards.html. We expect this transition to occur by 2022.

   Previously, both Apple's Safari and Mozilla's Firefox announced that they would block third-party cookies, but they took these actions without first developing alternative ways to support key existing use-cases. We believe this approach may have unintended consequences for both users and the web ecosystem, and can undermine the business

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[6] Dieter Bohn, *Google To 'Phase Out' Third-Party Cookies in Chrome, but Not for Two Years*, Vox: Verge (Jan. 14, 2020), https://www.theverge.com/2020/1/14/21064698/google-third-party-cookies-chrome-two-years-privacy-safari-firefox.

[7] Sara Morrison & Rani Molla, *Google Chrome's Cookie Ban Is Good News for Google—and Maybe Your Privacy. But It's Terrible for Smaller Advertisers*, Vox: Recode (Jan. 16, 2020), https://www.vox.com/recode/2020/1/16/21065641/google-chrome-cookie-ban-advertisers.

model of publishers who rely on ads to make their content freely available to the public. Rather than taking that same approach, we announced the phased plan referenced above, centered around our Privacy Sandbox initiative—a collaborative effort to develop new privacy-preserving ways to support key use-cases for third-party cookies—that will give all parties time to develop new solutions. For more information, please see https://www.chromium.org/Home/chromium-privacy/privacy-sandbox.

Google is committed to working with the web community and industry forums to create alternatives to third-party cookies. We are working actively across the ecosystem so that browsers, publishers, advertisers, ad-tech providers, and others have the opportunity to experiment with these new mechanisms, test whether they work well in various situations, and develop supporting implementations, including for ad selection and measurement, denial of service (DoS) prevention, anti-spam/fraud, and federated authentication.