

**Questions from Senator Tillis**  
**for Barry Lynn**  
**Witness for the Senate Committee on the Judiciary**  
**Subcommittee on Competition Policy, Antitrust,**  
**and Consumer Rights Hearing**  
**“Competition in the Digital Advertising Ecosystem”**

1. Under the AMERICA Act:

a. How would small businesses that use online advertising be impacted?

We believe small businesses would benefit from this act in a variety of ways. There would be far more competition among advertising brokers, which would all but inevitably result in lower prices and higher quality services. Such competition would also likely result in brokers offering better record keeping of advertising activity, including close auditing of the effectiveness of particular advertising campaigns.

Smaller businesses would also benefit from any increase in the robustness of local and specialized publishers, such as online newspapers and trade magazines. Such publications play a vitally important role in creating communities of users of particular goods and services, and in educating those communities to the benefits of those particular goods and services.

b. Would small businesses still have the same access to affordable advertising services?

They would have better access to better and more affordable services.

2. How would the AMERICA Act help or hurt smaller ad organizations who operate within the online advertising economy? If so, how?

The AMERICA Act would make it far easier for smaller independent ad organizations to enter the market and to prosper, through the provision of higher quality and more affordable advertising services.

3. Other than Google, who are the major players – including emerging players – in the online advertising economy?

In addition to Google, there are two major players at present in the online advertising economy. The biggest is Facebook, which has a similar business model as Google but is less technologically powerful and less sprawling in its structure. Amazon has also emerged in recent years as a powerful and fast-growing player. Until now, Amazon has mainly relied on, essentially, its ability to extort sellers to pay it for higher placement on the site, an activity which it books as “advertising.” But Amazon

has also invested significantly in creating a new advertising technology platform able to compete with Google's advertising technology platform. If successful, this will likely empower Amazon to soon displace Facebook at the number two player in this activity.

4. What can and should be done to increase transparency within the online advertising economy?

The three most important things that would increase transparency in the online advertising economy are two actions that are part of the AMERICA Act. These are a) to vertically separate advertising technology from the largest platforms, such as Google; b) separate buyer side and seller side ad brokerage activities; and c) ensure there is real competition among both seller side and buyer side ad brokerages. True competition within carefully structured marketplaces – combined with simple antitrust enforcement to avoid cartel behavior - is the best way to ensure real transparency.