

★● FTC Antitrust Probe of Facebook Scrutinizes Its Acquisitions

https://www.wsj.com/articles/ftc-antitrust-probe-of-facebook-scrutinizes-its-acquisitions-11564683965?st=dipk5r2l8rmj2o7&reflink=desktopwebshare_permalink

Updated Aug. 1, 2019 at 6:17 pm ET

- The Federal Trade Commission is examining Facebook Inc.'s acquisitions as part of its antitrust investigation into the social-media giant, seeking to determine if they were part of a campaign to snap up potential rivals to head off competitive threats, according to people familiar with the matter.
- The company's acquisition practices are a central component of the FTC probe, the people said.
- The tech giant has acquired about 90 companies over roughly the last 15 years, according to data compiled by S&P Global.
- Among those companies are the photo-sharing app Instagram and the messaging service WhatsApp, which bolstered Facebook as a dominant force in social media and messaging.
- The investigation comes on the heels of a separate case in which the commission fined Facebook \$5 billion for alleged privacy missteps.
- The FTC has for months signaled its interest in whether tech companies are squelching competition by systematically buying startups that could one day challenge them.
- When the commission formed a task force in February to examine potential antitrust violations in the tech industry, Bruce Hoffman, director of the FTC's bureau of competition, said the issue was ripe for exploration. "
- If the FTC were to identify antitrust issues with any of Facebook's past acquisitions, the commission could pursue a range of remedies, from seeking a spinoff of certain acquisitions to restricting Facebook's conduct with some of the assets it has acquired.
- The reviews by both U.S. antitrust agencies signal the federal government is training significant firepower on Facebook, whose recent \$5 billion FTC fine represented an unprecedented privacy settlement.
- State attorneys general and European regulators also are looking into competition issues around Facebook.
- But some critics argue the government has focused too much on the current size of tech takeover targets and failed to consider how they could grow.
- When the FTC allowed Facebook to acquire Instagram in 2012, there was discomfort within the commission about possible antitrust implications, according to people familiar with the matter.

● Facebook Shows Who's Boss by Adding Its Name to Instagram, WhatsApp

https://www.wsj.com/articles/facebook-shows-whos-boss-by-adding-its-name-to-instagram-whatsapp-11564796439?st=tb2bxi0xcflpmx1&reflink=desktopwebshare_permalink

Aug. 2, 2019 at 9:40 pm ET

- Facebook Inc. is attaching its name to Instagram and WhatsApp in a rebranding decision aimed at further unifying the company's apps that had been cultivated as separate consumer services.
- It said it would add the "From Facebook" tag to its Instagram and WhatsApp brands, and the Facebook name would be visible in its marketing and to users inside the apps--moves that some inside the company oppose. "
- The branding change is the latest move by Chief Executive Mark Zuckerberg to stitch together Facebook's family of apps, even as regulators scrutinize whether the company has acquired startups including Instagram and WhatsApp to stymie competitive threats, the Journal reported this week.
- Mr. Zuckerberg's efforts to unify these services have been controversial internally, according to former employees, and some insiders remain puzzled by Mr. Zuckerberg's overarching reasons for pursuing this strategy.
- Last year, Mr. Zuckerberg discussed the "From Facebook" branding change with senior executives.

- brand might hurt those companies, according to a person familiar with the matter.
- A recurring conclusion of Facebook's marketing research was that Instagram and WhatsApp were harmed by their association with Facebook's brand, according to someone familiar with the results of the research.
- Changes in the company's marketing structure presaged the branding move.

Facebook's Rebranding Could Faceplant

https://www.wsj.com/articles/facebook-rebranding-could-faceplant-11565172000?st=mhn8ztrm5dd83l5&reflink=desktopwebshare_permalink

Aug. 7, 2019 at 6:00 am ET

- Facebook said on Friday that it would rebrand its Instagram and WhatsApp platforms to include the Facebook name.
- Last year, search engine DuckDuckGo found that more than half of Instagram and WhatsApp users were unaware the apps were owned by the social-media giant.
- A Facebook spokeswoman said last week the move was made to "be clearer" about the products and services Facebook owns.
- Unified branding could help Facebook to build a case against a mounting antitrust investigation, or at least to dispel the notion that users aren't aware of who owns their favorite apps.
- Leveraging the popularity of Instagram and WhatsApp also could help to reinvigorate Facebook's tired legacy "blue" platform.
- Recent marketing research that included the "from Facebook" branding change revealed that it wasn't universally "liked."

★ Facebook Tests Selling Video Subscriptions in Watch

https://www.wsj.com/articles/facebook-tests-selling-video-subscriptions-in-watch-11565272800?st=ydo1wnyyaoclqp&reflink=desktopwebshare_permalink

Aug. 8, 2019 10:00 am ET

- Facebook Inc. said it would start testing the sale of subscriptions to video services that can be viewed inside its Watch video hub.
- For \$4.99 a month, for example, Dropout subscribers will get access to the service's library of original content through Facebook, as well as the ability to participate in virtual watch parties where they can talk with other viewers.
- Facebook also is introducing a new feature that catalogs all of the content from a participating video service to which a user can subscribe.
- Users who subscribe through Facebook also will be able to access those services on their own apps on other platforms, including Apple TV, Amazon Fire TV and Roku.
- Facebook is expected to take a cut of each subscription it generates for video partners, according to a person familiar with the arrangement.
- Amazon.com Inc., Apple Inc., Roku Inc. and Walt Disney Co.'s Hulu already "resell" subscription streaming services to users.

★ Facebook Offers News Outlets Millions of Dollars a Year to License Content

https://www.wsj.com/articles/facebook-offers-news-outlets-millions-of-dollars-a-year-to-license-content-11565294575?st=2ab6jh9aw0a2us9&reflink=desktopwebshare_permalink

Updated Aug. 8, 2019 at 6:37 pm ET

- Facebook Inc. is offering news outlets millions of dollars for the rights to put their content in a news section that the company hopes to launch later this year, according to people familiar with the matter.
- Representatives from Facebook have told news executives they would be willing to pay as much as \$3 million a year to license headlines and previews of articles from news outlets, the people said.
- The outlets pitched by Facebook on its news tab include Walt Disney Co.'s ABC News, Wall Street Journal parent Dow Jones, The Washington Post and Bloomberg, the people said.
- Facebook's plans come as the company is facing growing criticism for its role in the news industry's struggles by sucking up much of the advertising revenue that used to go to newspapers.
- Facebook is planning to launch the section sometime in the fall, the people said.
- Facebook does pay licensing fees for other content.
- The company doles out upfront payments for the right to show videos in its Facebook Watch section, which is home to original shows and popular clips.
- It also previously paid publishers upfront to create content for Facebook Live, its live-video feature.
- Facebook CEO Mark Zuckerberg addressed the possibility of creating the news section earlier this year during a conversation with Axel Springer CEO Mathias Döpfner.
- Facebook, like other big tech companies, is under scrutiny from government regulators conducting antitrust investigations.

★● FBI Surveillance Proposal Sets Up Clash With Facebook

https://www.wsj.com/articles/fbi-and-facebook-potentially-at-odds-over-social-media-monitoring-11565277021?st=r0mie9llpmrkynq&reflink=desktopwebshare_permalink

Updated Aug. 8, 2019 at 8:15 pm ET

- An effort by the FBI to more aggressively monitor social media for threats sets up a clash with Facebook Inc.'s privacy policies and possibly its attempts to comply with a record \$5 billion settlement with the U.S. government reached last month.
- The Federal Bureau of Investigation is soliciting proposals from outside vendors for a contract to pull vast quantities of public data from Facebook, Twitter Inc. and other social media "to proactively identify and reactively monitor threats to the United States and its interests."
- The request was posted last month, weeks before a series of mass murders shook the country and led President Trump to call for social-media platforms to do more to detect potential shooters before they act.
- The deadline for bids is Aug. 27.
- The FBI contract seeks to gather publicly available data.
- The company draws a line at the collection of large amounts of user data by law enforcement that can be analyzed without permission from the company or its users.
- Facebook has tightened access to user data in recent years in an effort to prevent abuse of user privacy, along with other steps to better police its platform.
- That includes preventing the misuse of even publicly viewable data of the sort that the FBI wants to capture from Facebook, Instagram and Twitter.
- **Ms. Levinson-Waldman said the FBI's new request for proposals demonstrates the mixed message that the government is sending Facebook on the security of its users' data.**
- In its July 8 request for proposals, the FBI's wish list includes the ability to "obtain the full social media profile of persons-of-interest and their affiliation to any organization or groups," as well as monitor the social-media activity of people in specific neighborhoods and search for key words connected to potential illegal activity.
- The FBI also said in the proposal that it requires that its data gathering leave no trace, even to other federal agencies, and states that the government would "maintain sole ownership" of the data ingested into the monitoring system.
- Federal contracting documents show the FBI began building its capacity to monitor social media at least as far back as 2012.
- Facebook has previously grappled with how much access to allow government entities to its platform.

- Last year, Facebook suspended social-media analytics firm Crimson Hexagon after The Wall Street Journal reported that U.S. government agencies awarded more than 20 contracts to the firm, which also did work for a Russian nonprofit with ties to the Kremlin.
- Facebook hadn't approved the contracts in advance and at the time said it wasn't aware of them.
- Privacy experts contend that mass-violence events frequently prompt politicians and law-enforcement officials to call on social-media companies to help detect and prevent sudden outbursts of violence, but that there is scant evidence their platforms could predict such behavior.

EU Nears Decisions in Facebook Privacy Cases

https://www.wsj.com/articles/eu-nears-decisions-in-facebook-privacy-cases-11565602202?st=t4yes10ylts6g66&reflink=desktopwebshare_permalink

Aug. 12, 2019 at 5:30 am ET

- The European Union could begin to hit Facebook Inc. with decisions under the bloc's new privacy law by the end of the year, raising the specter of billions of euros in fines and orders to change business practices.
- Ireland's Data Protection Commission—which leads EU privacy enforcement for Facebook because the firm's regional headquarters are in Dublin—says it is nearing the end of its investigations in some of the 11 cases it has opened into the tech giant under the EU's General Data Protection Regulation, or GDPR.
- Ireland aims to send at least some draft decisions, along with any proposed fines and sanctions, to the EU's 27 other national privacy regulators by the end of September, Mr. Doyle added.
- For Facebook, the Irish cases come as the company agreed in July to a \$5 billion settlement of past privacy behavior with the U.S. Federal Trade Commission.
- The pending Irish decisions are among the first cases involving big U.S. tech companies that will be decided under the GDPR.
- Unlike the U.S. FTC settlement, the Irish investigations into Facebook don't focus on the company's relationship with the now-defunct political-campaign group Cambridge Analytica.
- Facebook has argued that it collects much of its information as part of a contract with users to provide them with a personalized service—making the collection necessary if one wishes to join the social network.
- But some privacy activists argue that justification is insufficient given how much information Facebook collects about users, in particular from other apps.
- Thousands of popular smartphone apps on Apple and Google Android devices include Facebook code that sends the social network sometimes-detailed information about users, including what products they put in their shopping carts and which destinations they are searching for flights.
- The European Commission, the EU's main antitrust enforcer, has also set its sight on how Facebook uses data GOOG -2.10% from other apps that operate on its platform.

★ Facebook Marketplace: The Wild West of E-Commerce

https://www.wsj.com/articles/facebook-marketplace-the-wild-west-of-e-commerce-11565947821?st=44t8iryzz8el123&reflink=desktopwebshare_permalink

Updated Aug. 16, 2019 at 6:30 am ET

- Facebook Inc. created an online flea market where users not only see all the bicycles, bird houses and BMWs for sale nearby, but also the names, profile photos and general locations of buyers and sellers.
- It is so popular that more than one in three people in the U.S. use it monthly, according to Facebook.
- But the experiences of many people who use the marketplace suggest that creates a false sense of security and a fertile ground for scams or misconduct—on both ends of transactions.
- Facebook Marketplace also allows buyers and sellers to put their reviews on private mode, which many people say defeats the purpose of creating a community of reviewers and building trust.
- Deborah Liu, Facebook's vice president of marketplace and commerce, said she spearheaded the launch of the marketplace three years ago to encourage the bartering behavior that was taking place in informal Facebook user groups.
- Like Craigslist, the social-media giant doesn't exercise control over payment, delivery or pricing.

- It also doesn't charge users.
- Facebook makes money by selling ads, which appear between product listings.
- Unlike Facebook groups, which can boot a member for violating rules, Marketplace offers no such control to users, though Facebook itself can revoke a users' buying or selling privileges after a review, according to Ms. Liu.
- The marketplace's initial rollout in 2016 resulted in Facebook issuing an apology for allowing guns, drugs and wildlife to be listed for sale.
- Ms. Liu said the company uses machine learning to detect and block products that violate its policies.
- Users can appeal the decision or report a product if Facebook mistakenly blocks the wrong item or misses something.
- We are not in the business of telling people what they can buy and sell," she said.
- Frank McKenna, chief fraud strategist at PointPredictive, which makes software to detect loan and transaction fraud, said the current lack of oversight on Facebook Marketplace makes it ripe for payment fraud.
- People are paying with fraudulent Venmo accounts, fake bills and bad checks, he said. "
- Facebook said it has some restrictions in place for sellers to dissuade scammers.
- The company recently announced that people will soon be able to pay for their purchases directly on Facebook.
- In Memphis, a man was shot during what was supposed to be a routine sale.
- Stone Pannell, a 25-year-old in Memphis, said his road bike was stolen last month from his porch and soon after appeared on Facebook Marketplace.
- He found it listed for \$850.
- Mr. Pannell set out to get the bike back on his own.
- Despite getting his bike back, Mr. Pannell said he was taken aback by the lack of accountability. "
- On Second Thought, Traditional Retailers Make Room for Used Clothes Venerable names like Macy's and J.C. Penney are embracing the sale of secondhand goods in a push to jump- start sales and lure younger, environmentally conscious shoppers.

Why Conservatives Don't Trust Facebook

https://www.wsj.com/articles/why-conservatives-dont-trust-facebook-11566309603?st=jxtzuk5zzspps0i&reflink=desktopwebshare_permalink

Aug. 20, 2019 at 10:00 am ET

- In response to mounting criticism, Facebook asked me to conduct a survey to hear from conservatives directly.
- In the wake of strong evidence from the U.S. intelligence community that Russia attempted to interfere in the 2016 presidential election with fake social-media accounts and inflammatory content, Facebook required advertisers to register as "political" organizations in order to post ads with a political or policy focus.
- As a result of Facebook's new, more stringent ad policies, interviewees said the ad-approval process has slowed significantly.
- Some fear that the new process may be designed to disadvantage conservative ads in the wake of the Trump campaign's successful use of social media in 2016. •
- We believe these and other measures described in our interim report are steps in the right direction.
- To live up to its vision as a platform for all ideas, I believe Facebook understands it must do all it can to regain the trust of conservative users.

★ Facebook to Let Users Control Their Data From Other Companies

https://www.wsj.com/articles/facebook-to-let-users-control-their-data-from-other-companies-11566313200?st=atf4b7v1fox3wk4&reflink=desktopwebshare_permalink

Updated Aug. 20, 2019 at 5:04 pm ET

- Regarding data, the company said it is rolling out a feature called "Off-Facebook Activity" to let users see information that apps and websites gather on them and send to Facebook, such as shopping activity, logins using Facebook credentials and site visits that trigger tracking signals.
- The new tool has limits.
- Users can't delete the outside data that apps and websites send Facebook.
- It still will collect that information anonymously—unlinked to users' accounts if they choose—to provide analytics and advertising conversion metrics.
- And it won't give users the ability to limit or even see the full list of data that Facebook gathers from their direct interaction with the company's products. "
- The feature will be available first only to account holders in South Korea, Ireland and Spain, but will roll out to all users in the coming months, Facebook said.
- called the new feature "the most powerful and comprehensive tool ever launched in the industry for this kind of data."
- Facebook told the New York Times that it would hire a small team of journalists to help it curate "News Tab," a new section of the Facebook mobile app that will present recent stories to readers.
- The Wall Street Journal previously reported that Facebook was planning to pay news outlets for the use of their content in such a feature.
- Facebook also announced the conclusion of its conservative free-speech audit, which was launched in response to complaints that the platform at times suppressed conservative viewpoints.
- The new privacy tool is Facebook effort to fulfill a pledge Mr. Zuckerberg made more than a year ago.
- Facebook already offers some tools to help users understand why they see particular ads or posts, but those aren't comprehensive.
- How significantly changes to Facebook's off-platform data control will affect advertisers isn't clear.
- The tool prevents advertisers from targeting Facebook advertisements to users based on information it gathers elsewhere.
- But Facebook has said that if enough users opt out of associating their accounts with such data, the
- Appeared in the August 21, 2019, print edition.
- company's revenue could suffer as its ads become less effective. "
- Facebook said it would continue to work toward greater transparency about its data collection and usage, but didn't commit to further actions involving the site's own data collection and usage practices. "

★● Facebook's Secondhand Shopping Problem

https://www.wsj.com/articles/facebooks-second-hand-shopping-problem-11566573078?st=dtm8th2z2nv3y23&reflink=desktopwebshare_permalink

Aug. 23, 2019 at 11:11 am ET

- Facebook says it is a changed company, but recent problems suggest it is still struggling to enforce its own rules on its platforms.
- The latest instance was this week, when The Wall Street Journal revealed that some users are selling firearms on Facebook's Marketplace platform, despite a company ban on such transactions, by listing gun cases or boxes at inflated prices.
- While Facebook needs commerce platforms like Marketplace to work in order to continue to grow, it appears to be in an unnecessary rush.
- In line with past mishaps at the company, the speed at which Facebook has grown its peer-to-peer marketplace may be working against it.
- Further, it appears Facebook's own algorithms could be compounding its problems.
- Competitors like eBay have been battling it for decades.
- Less than three years after its Marketplace launch, Facebook said it already has 800 million monthly users on the platform.
- One in three people in the U.S. are now visiting Marketplace each month, according to the company.
- For its part, Facebook says it now has more than 30,000 people around the world working on safety and security across its platforms.
- Facebook's expansion into peer-to-peer selling does have a clear business logic.

- Facebook needs these new business lines.
- When Marketplace was launched in the fourth quarter of 2016, the company's ad revenue was growing 53% from a year earlier.
- As of June this year, that growth has roughly halved.
- The company has been focused on commerce initiatives like Marketplace, Shopping on Instagram, payments and a cryptocurrency in the works to reignite slowing growth.
- Facebook is using these new initiatives to bolster time spent on the platform and to enhance its ad-targeting efforts.
- Having soared 39% year-to-date, Facebook's stock is trading at over 21 times forward earnings, up from 16.5 times in December.
- While diversifying into new platforms like Marketplace is the right move, Facebook can afford to take the time to get things right.

★● Facebook Touted Its Progress in Brazil Elections. Internally There Were Doubts.

https://www.wsj.com/articles/facebook-said-it-aced-brazil-elections-internally-there-were-doubts-11567157403?st=n5lgu7pna3j1org&reflink=desktopwebshare_permalink

Aug. 30, 2019 at 5:30 am ET

- Facebook Inc. executives last year publicly touted their efforts ahead of Brazil's presidential election as evidence of the company's progress in combating misinformation on its platforms.
- Facebook's own analysis found the social-media giant wasn't able to uncover and stamp out suspicious behavior or misinformation on a large scale after the assassination of Brazilian politician Marielle Franco in March 2018, according to documents reviewed by The Wall Street Journal.
- Facebook still relied on third parties, including the media, to flag issues bearing on that year's October election because it hadn't yet developed tools for "proactive detection" of certain problems, the documents show.
- Facebook took four months to dismantle a network of accounts spreading disinformation about Ms. Franco after her murder, an event that further polarized the country ahead of the hotly contested presidential election.
- The company also found that a right-wing group in Brazil that supported Jair Bolsonaro, the election's winner, was encouraging its Facebook followers to use a third-party app that enabled the group to post on their behalf twice a day.
- Mr. Gleicher said Facebook found and dismantled about 40 influence campaigns around the world in the first half of 2019, up from just a handful in the first half of 2018 and a "couple dozen" in the year's latter half.
- He said Facebook has hired "dozens" of people as part of its core team of investigators looking for influence campaigns, including former law-enforcement and intelligence officials as well as former investigative journalists.
- The company has cited these investments in response to calls for a breakup of the social-media giant, saying a smaller business would have difficulty mustering the resources needed to battle disinformation.
- The internal presentation from 2018 illustrates how misinformation campaigns are evolving, raising new challenges for Facebook in many of its largest markets.
- The review focuses on the fallout from the murder of Ms. Franco, a local politician in Brazil who had been critical of the police.
- Some of the pages the company found to be spreading misinformation about Ms. Franco in a coordinated way were administered by fake accounts, which Facebook's systems failed to detect ahead of time.
- A separate set of problems involved a third-party app named Voxer, which posted on behalf of users who gave it permission to do so.
- The activity was initially flagged to Facebook by Brazilian reporters.
- The tool allowed a client last year to link Facebook and Twitter accounts together and share content automatically.

- The right-wing Free Brazil Movement, or MBL, was a client of the company, according to Facebook, and sent active users a message urging them to give Voxer their credentials so the group could post on their behalf. "
- Facebook had kicked Voxer off its platform by early April 2018.

Facebook Lays Out Challenges of Letting Users Take Their Data to Other Platforms

https://www.wsj.com/articles/facebook-lays-out-challenges-of-letting-users-take-their-data-to-other-platforms-11567614600?st=9846r2r73cd48mq&reflink=desktopwebshare_permalink

Sept. 4, 2019 at 12:30 pm ET

- Facebook Inc. has promised regulators that it will protect users' privacy and give them the right to take their data where they choose.
- In a white paper issued Wednesday, the social-media giant outlines how those two big mandates are potentially in conflict.
- The company said it is seeking outside input on how to deliver on both objectives and get a consensus on how the industry will handle such matters going forward.
- Facebook needs to comply with new laws in the European Union and California requiring the company to make people's social-media profiles easily transferable to upstart rivals, a shift designed in part to foster greater competition.
- Facebook is under an antitrust investigation in the U.S. because of its strong position in social media.
- At the same time, Facebook is under stringent data protections imposed by the company's \$5 billion settlement with the Federal Trade Commission, agreed to in July. "
- Whether an outside entity is a worthy recipient of user data and who should be responsible for potential misuse of Facebook data after it is in that entity's hands aren't clear, the paper argues.
- Advocates for greater competition in social media have argued that Facebook should be able to manage privacy without squashing rivals.
- To provide people with real alternatives to Facebook, the company would need to make its platforms mesh with competitors, not just provide a one-time transfer of users' data, they say.
- Fiona Scott Morton, an economist at Yale's school of management and former deputy attorney general during the Obama administration, says making Facebook interoperable with outside social networks would do more to revive competition than breaking up the company, as some have argued regulators should do.

Facebook Rolls Out Dating Feature in U.S.

https://www.wsj.com/articles/facebook-rolls-out-dating-feature-in-u-s-11567702056?st=2b202oe5dlqlptu&reflink=desktopwebshare_permalink

Updated Sept. 5, 2019 at 4:31 pm ET

- Facebook Inc. is bringing its dating service to the U.S. after launching it in roughly 20 countries since last year.
- The matchmaking service, which Facebook announced in a blog post Thursday, is expected to compete with established online-dating platforms in the U.S. such as Tinder, OkCupid and Match.com, all brands owned by Match Group Inc., and others like eHarmony.
- The decision to offer the service to U.S. Facebook users comes at a time when the social-media network is facing intense scrutiny from U.S. and European regulators over how it collects and uses data and how it protects users' privacy.
- Facebook users over the age of 18 can opt-in to Facebook Dating and create a dating profile that helps them find people with common interests, events and groups.
- Thursday's announcement pushed shares of Match Group lower by about 4.5%, while its majority owner, IAC/InterActiveCorp.,
- Facebook said it has worked with security experts to ensure the safety, security and privacy of its users.

- Facebook Dating users will be able to report and block anyone; prohibit people from sending photos, links, payments or videos in messages; and receive safety tips from the company.
- Facebook Dating is already available in 19 other countries, including Argentina, Brazil, Canada, Mexico, MTCH -2.35% Appeared in the September 6, 2019, print edition.
- The company said it plans to launch the service in Europe in early 2020.

Democratic Senators Question Facebook on Hidden Gun Sales

https://www.wsj.com/articles/democratic-senators-question-facebook-on-hidden-gun-sales-11567781443?st=ba7s8soojsjujc4&reflink=desktopwebshare_permalink

Sept. 6, 2019 at 10:50 am ET

- A group of influential Democratic senators called on Facebook Inc. to quickly end the postings of firearms for sale on its popular Marketplace and demanded information about how it polices gun sales on the service.
- In a letter to Chief Executive Mark Zuckerberg, 15 senators—including three 2020 presidential candidates— asked for information about the company's knowledge of, and efforts at policing, the sale of guns on Marketplace.
- Last month, The Wall Street Journal reported sellers of firearms were clandestinely posting guns for sale on the service, often disguising them as posts for gun cases or empty boxes.
- The letter also lands as Congress returns to Washington amid calls from some for tighter gun laws following a series of recent, deadly shootings across the country.
- Facebook rules forbid the sale of guns on the service.
- The Journal reported sellers were frequently getting around that restriction by listing gun cases and boxes, at inflated prices, as code for an actual firearm for sale.
- Sellers provide details of the gun in private messages with an interested party.
- The Journal, using an analysis conducted in early August by Storyful, a social-media intelligence firm owned by News Corp, which also owns the Journal, reported on dozens of overpriced gun cases across 10 major cities in the U.S. on Facebook Marketplace.
- Late last month, more than a week after the publication of the article, the Journal found two more examples of weapons sellers disguising sales postings.
- The senators, in their letter, said they had found in their own independent search other instances of possible disguised gun sales on Marketplace.

★ Is Facebook a Monopoly or Just Winning the Game?

https://www.wsj.com/articles/is-facebook-a-monopoly-or-just-winning-the-game-11567953000?st=pq29pnmu7hwqtm2&reflink=desktopwebshare_permalink

Updated Sept. 8, 2019 at 8:04 pm ET

- The Wall Street Journal reported Friday that state attorneys general will formally launch antitrust investigations into Facebook and Alphabet's Google beginning this week.
- The probes are separate from those already ongoing by the Justice Department and the Federal Trade Commission over Google and Facebook, respectively.
- In Facebook's case, it is difficult to argue that the sheer size of its current user base and resources isn't affecting competition to some degree.
- A look at the innovations by U.S. competitor Snap's Snapchat underscores Facebook's competitive advantage.
- In late 2011, Snapchat launched based on the premise of disappearing images meant to be shared among selected friends.
- In 2016, Facebook introduced a similar stories format on its Instagram platform, later adding it to Facebook's legacy app.
- Just eight months after its launch, 200 million people were already using Instagram's stories daily, according to Statista.

- This lopsided arms race has continued with both Snapchat and Facebook now offering similar formats for users to watch concentrated shows.
- Facebook's user base has continued to grow owing in large part to its 2012 acquisition of Instagram, which the company said in June 2018 had more than a billion monthly users.
- Combined across its platforms, Facebook said in July it now has 2.7 billion monthly users.
- When a representative at a congressional hearing earlier this year pointed out that Facebook owns four of the top six social networks by active users, Facebook's head of global policy development denied that its platform is a monopoly.
- Snapchat in the second quarter reported its largest growth in terms of daily active users in three years, for example.
- Its stock is up nearly 200% this year, while Facebook is up 43%.
- Despite recent outperformance, though, Snap has less than 10% of the daily users that Facebook enjoys across its portfolio of apps.

★ Facebook May Strike Out in the Dating Game

https://www.wsj.com/articles/facebook-may-strike-out-in-the-dating-game-11568286003?st=9422m1y1vbdffa7&reflink=desktopwebshare_permalink

Sept. 12, 2019 at 7:00 am ET

- Shares of leading online matchmaker Match Group Inc. fell 22% last May when Facebook announced it was getting into dating.
- Since then, the stock has more than doubled as users continue to swipe right on Match's portfolio despite Facebook Dating's launch in select markets.
- Last week, Facebook Dating launched in the U.S., sending Match's stock down a cumulative 13% over the past five trading sessions.
- Facebook says its Dating platform is meant to be about "meaningful relationships."
- Tinder added more than half a million subscribers—the second highest sequential increase in quarterly subscribers in the app's MTCH -2.63% history.
- At the same time, Match also said it saw more mature apps like OkCupid grow internationally while global downloads for "relationship app" Hinge grew more than 200% year-over-year in the second quarter.
- Match doesn't break out subscribers but said in the second quarter that it had roughly the same number across its platforms in North America as it had internationally.
- On the social-media side, Facebook's products such Stories and Watch have quickly surpassed growth from incumbent competitors in the U.S. such as Snapchat, leveraging its established user base.
- Facebook says it built Dating to be safe, working with experts to build protection from the start.
- Match said in May that 75% of new users chose to sign up via SMS rather than use Facebook after it offered the option to avoid Facebook.
- Although today newer apps like Tinder drive the company's share performance, its legacy apps like Match.com have been making love connections for more than 20 years.

★ Facebook Forms Independent Board to Oversee Content Decisions

https://www.wsj.com/articles/facebook-forms-independent-board-to-oversee-content-decisions-11568752897?st=4h6ncttqfjbpd&reflink=desktopwebshare_permalink

Updated Sept. 17, 2019 at 5:29 pm ET

- Facebook Inc. will give an independent board the ability to review and potentially overturn content-moderation decisions, the social-network operator said Tuesday, giving authority to outsiders to oversee some of the thorniest issues the company has faced in recent years.
- The new board, which will be funded through an outside trust, will consist of 40 paid, part-time members who will "seek to consider cases that have the greatest potential to guide future decisions and policies," the board's charter states.

- Acting functionally as an appellate court, board members will adjudicate controversies arising from Facebook's in-house efforts to enforce its standards on hate speech, misinformation and other prohibited content.
- Initial board members will be announced within the next few months, with review panels aiming to begin issuing decisions on content by early next year, Facebook said. "
- The question of content moderation has bedeviled Twitter Inc. and Google's YouTube as well, with social-media platforms taking heat both for their failure to staff moderation efforts adequately and for sometimes overreaching on particular decisions.
- Nonetheless, Ms. Klonick called the requirement that Facebook publicly respond to the board's policy recommendations an unprecedented step, as the company has traditionally responded to complaints from users, civil society and groups in private, if at all. "
- That's a huge moment of accountability and transparency they haven't had," she said.
- While Facebook's announcement marks its most concrete description of its plan for independent content adjudication to date, key details remain unsettled.
- Facebook plans to name 11 initial board members later this year, and those people will in turn help to select additional members.
- How much board members will be paid and the size of the board's operating budget haven't been determined.
- Facebook said only that it is spending millions of dollars on the effort.

Facebook Suspends More Apps, Tightens Controls Over Data Access

https://www.wsj.com/articles/facebook-suspends-more-apps-tightens-controls-over-data-access-11569006540?st=hcwcm7510jtr9e6&reflink=desktopwebshare_permalink

Updated Sept. 20, 2019 at 5:22 pm ET

- Facebook Inc. has suspended tens of thousands of apps over data-privacy concerns as the social-media company attempts to tighten oversight of developers after receiving a \$5 billion fine for failing to protect users' data.
- In a blog post Friday, Facebook said the suspended apps are associated with about 400 developers, though many were still in test phases.
- In May of 2018 the company said it had suspended about 200 apps for suspected misuse of users' information; months later, that number grew to more than 400. "
- Facebook said it first began cracking down on apps that violate its policies in March 2018 in response to its role in a scandal involving Cambridge Analytica, a now-defunct data firm that worked on President Trump's 2016 campaign.
- Facebook began phasing out developers' ability to access such extensive data in 2014, though the federal agency said some entities maintained that access until last year.
- To settle the FTC investigation, Facebook agreed to pay a \$5 billion fine and adopt new oversight practices, including creating a privacy committee with independent board members.
- In addition to the app suspensions and removals, Facebook said Friday that it had created new rules to more tightly control developers' access to its data.
- Separately, Facebook said its agreement with the FTC requires developers to now certify compliance with its policies annually. "

★● Snap Detailed Facebook's Aggressive Tactics in 'Project Voldemort' Dossier

https://www.wsj.com/articles/snap-detailed-facebooks-aggressive-tactics-in-project-voldemort-dossier-11569236404?st=urtc7l2ulfdy59r&reflink=desktopwebshare_permalink

Updated Sept. 24, 2019 at 12:21 pm ET

- A number of Facebook's current and former competitors are talking about the company's hardball tactics to investigators from the Federal Trade Commission, as part of its broader antitrust investigation into the social-media giant's business practices, according to people familiar with the matter.
- One of them is Snap Inc., where the legal team for years kept a dossier of ways that the company felt Facebook was trying to thwart competition from the buzzy upstart, according to some of those people.
- The title of the documents: Project Voldemort.
- The files in Voldemort, a reference to the fictional antagonist in the popular Harry Potter children's books, chronicled Facebook moves that Snap officials believed were a threat to undermine Snap's business, including discouraging popular account holders, or influencers, from referencing Snap on their accounts on Instagram, which Facebook owns, according to people familiar with the project.
- In recent months, the FTC has made contact with dozens of tech executives and app developers, people familiar with the agency's outreach said.
- The talks are a sign that the FTC may be trying to put together "a picture of what might be a pattern of behavior to prevent competition to the core Facebook business," said Gene Kimmelman, a senior adviser at Public Knowledge, a consumer group that focuses on tech issues, who was a Justice Department antitrust official in the Obama administration.
- Discussions with rivals are typical in antitrust probes, said Mr. Kimmelman, who isn't involved in the case.
- Facebook has previously said that its acquisitions fuel innovation, rather than stifle it, and a spokeswoman said the company's addition of new services and features over the years gives consumers more choices. "
- This is competition at work and one of the longtime hallmarks of the tech sector," she said. "
- This is good for consumers."
- The FTC investigation is one of several antitrust probes into Facebook and major tech giants in the U.S. and around the world.
- Earlier this month, the House Judiciary Committee requested Facebook executive communications about the company's decisions to buy the photo- and video-sharing network Instagram in 2012 and the messaging app WhatsApp in 2014.
- One area of focus for the FTC is Onavo, an Israeli mobile-analytics startup that Facebook purchased in 2013, according to a person familiar with the FTC's line of questioning.
- Onavo data were frequently cited in internal research and strategy decks, according to former employees and internal documents, and helped inform Facebook's acquisition of WhatsApp for \$22 billion in 2014.
- Facebook shut down the Onavo app earlier this year amid growing scrutiny of its data-collection practices.
- A Facebook spokeswoman said the app was similar to other industry market research tools.
- Another focus of the investigation is whether Facebook Chairman and CEO Mark Zuckerberg acquired or tried to buy startups that he feared would later become competitors, according to people familiar with the investigation.
- In some cases, after Facebook's overtures were spurned, the social-media giant copied features of the former targets.
- In both cases, after the companies rejected the overtures, Facebook soon after released features that mimicked the products from Snap and Foursquare.
- Facebook rolled out a string of products similar to Snap's most popular features, including stories, filters and stickers.
- In the Project Voldemort documents, according to people familiar with them, Snap executives noted their belief that Instagram was blocking searches of these Snap-related terms and not including this content on Instagram's "explore" page where users discover new content.
- Instagram representatives also started pressuring influencers to stop adding Snapchat links to their Instagram profile pages, according to people familiar with the conversations.
- The Instagram representatives suggested to some influencers that they could potentially void the users' "verified" status, which signifies that an account is legitimate and popular, according to one of those people.

- In 2016, Instagram added a rule that prevented users from adding links to their Snapchat profiles.
- Facebook's tactics have long engendered concern across Silicon Valley, said Paul Keable, chief strategy officer at Ashley Madison.
- The dating site, which caters to married people seeking affairs, is blocked from advertising on Facebook, which now operates its own dating feature. "

★● Inside Facebook's Botched Attempt to Start a New Cryptocurrency

https://www.wsj.com/articles/facebook-wanted-to-create-a-new-currency-it-wasnt-ready-for-the-backlash-11571242795?mod=Searchresults_pos11&page=2

Oct. 16, 2019 at 12:19 pm ET

- David Marcus gathered a team inside Facebook Inc.'s headquarters in May to toast a skunk works project a year in the making: a bitcoin-like payments system that the social-media giant figured would upend the global flow of money. "
- Five months later, the libra project is on life support after high-profile backers dropped out of the network under pressure from lawmakers and regulators.
- European officials are trying to halt its launch.
- The Treasury Department said it was concerned that libra could be misused by money launderers and terrorist financiers.
- Payment companies played down their role in libra in private meetings with regulators and lawmakers' offices, and big banks approached by Facebook declined to sign on.
- When libra came under fire, partners including Visa Inc., Mastercard Inc. and PayPal Holdings Inc. quickly jumped ship.
- Facebook shows no signs of abandoning libra; representatives from its remaining backers met Monday in Switzerland to move the project forward.
- Chief Executive Mark Zuckerberg has agreed to answer questions about it at a congressional hearing next week. "
- The core of the financial system hasn't changed in 50 plus years.
- When Facebook went public with thinly sketched plans for libra in June, it hoped to delegate the details to a coalition of partners, the Libra Association, and position the effort as more of a public utility than a corporate land grab.
- It was envisioned as a digital alternative to government-backed currency, widely accepted by merchants world-wide and capable of being sent instantaneously across borders at low cost.
- Still, the loss of key corporate partners—payments startup Stripe Inc. and online vacation site Booking Holdings Inc. also have dropped out—makes a planned 2020 launch a challenge.
- Mr. Marcus said that he would have preferred it if the big payments companies stayed in the Libra Association, but that they can still choose to enable consumers and merchants to use the new coin without being official members.
- Facebook has been experimenting with consumer payments for more than a decade.
- Facebook would create its own digital wallet that would enable libra to be used to buy things online and off, pay bills and send money domestically and overseas to friends and family members.
- A user would spend dollars to buy libra coins from authorized resellers, hold them in a digital wallet and then spend them on purchases at libra-friendly retailers or send them to others.
- The company sees the product as a way to keep people plugged in to Facebook longer, and have it travel with them around the web and offline.
- It also said its goal is to make financial services more accessible to people world-wide, especially those without access to the regular banking system.
- In Mr. Marcus's telling, dozens of other companies, eager to reach Facebook's massive user base, would join the Libra Association, contribute \$10 million apiece to build out a global payments network and build their own apps to interact with it.
- To overcome the volatility that had undermined bitcoin, libra's value would be pegged to a pool of currencies and government-backed assets.

- Even though libra transactions would take place outside their systems, credit and debit cards could be used to load money into libra wallets, Sen. Sherrod Brown questioned Mr. Marcus at a Senate hearing in July.
- DAVID PAUL MORRIS/BLOOMBERG Bill Ready, PayPal's chief operating officer, was an early libra supporter, but PayPal announced in June that he was stepping down.
- PayPal was among the first to join.
- The project was championed by Bill Ready, PayPal's chief operating officer.
- Rep. Waters asked Facebook to declare a moratorium on libra's launch and members of her committee drafted the "Keep Big Tech Out Of Finance Act" to limit Facebook and other Silicon Valley giants from expanding deeper into financial services.
- It asked some other partners to publicly lobby for the project.
- At a meeting for Libra Association members in Washington to prepare for the Geneva summit, attendees were asked to voice their concerns.
- Mastercard and Visa executives said they were likely to remain members but hadn't made final decisions.
- PayPal skipped the meeting and pulled out of libra the next day.
- Sens.
- Brown and Brian Schatz (D., Hawaii) warned the CEOs of Visa, Mastercard and Stripe that if they stayed involved, they could "expect a high level of scrutiny from regulators not only on libra-related payment activities, but on all payment activities."
- Visa and Mastercard sent executives to meet with the senators' staffers.
- Booking eBay Inc. and Mercado Pago, an Argentine payments provider, also withdrew.
- Tensions have grown within Facebook.
- Couldn't the company work with dollars or bitcoin, they asked?
- Facebook CEO Mark Zuckerberg, shown on Capitol Hill in September, is scheduled to testify about libra in Congress.
- Mr. Marcus, undeterred, has been reaching out to major U.S. banks about joining libra, according to people familiar with the matter, which could allow consumers to load money into their libra wallets from their checking accounts.
- JPMorgan Chase & Co. and Goldman Sachs Group Inc., however, had rejected Facebook's invitation back before the June announcement.
- they worried a cryptocurrency could be used for criminal activities that would violate strict money-laundering and sanctions rules.
- On Monday in Geneva, 21 companies, including Facebook, committed to the libra project and elected five board members to oversee the Libra Association.

★● Employees Ask Facebook to Reverse Policy on Political-Ad Fact Checking

https://www.wsj.com/articles/employees-ask-facebook-to-reverse-policy-on-political-ad-fact-checking-11572311436?st=uan34emz06grvjy&reflink=desktopwebshare_permalink

Oct. 28, 2019 at 9:10 pm ET

- A group of Facebook Inc. employees asked the company to reverse its policy of exempting political candidates' ads from its own fact-checking program, calling the controversial rules a betrayal of the social-media giant's values. "
- Free speech and paid speech are not the same thing," the employees said in an open letter to Facebook, which was posted on the company's internal network.
- They argue that exempting candidates' ads from fact checking "allows politicians to weaponize our platform by targeting people who believe that content posted by political figures is trustworthy."
- Signed by 250 employees as of Monday, the letter represents less than 1% of the company's 40,000-person staff but adds to the debate over Facebook's political advertising policies.
- The company has long avoided fact-checking political candidates' personal Facebook posts, but only clarified earlier this month that it would exempt campaign advertising from such review.

- In the letter to Facebook, employees said the site's decision not to fact-check candidates' ads runs contrary to its two-year effort to fight misinformation on the platform and is confusing to the public.
- In response to a question from Rep. Alexandria Ocasio-Cortez at a hearing before the House Financial Services Committee last week, Facebook Chief Executive Mark Zuckerberg himself appeared hazy on whether the company would intervene if she targeted a Republican primary with ads falsely stating that one of the candidates supported the raft of progressive environmental proposals known as the Green New Deal. "
- Beyond taking issue with the fact-checking exemption itself, the employees asked the company to better distinguish political ads from user-created content and to limit political advertisers' ability to address ads to narrowly focused or custom-designed audiences. "

With Facebook's Coming News Tab, Only Some Will Get Paid

https://www.wsj.com/articles/with-facebooks-coming-news-tab-only-some-will-get-paid-11569852600?st=1vhh44ci2j4yt6t&reflink=desktopwebshare_permalink

Sept. 30, 2019 at 10:10 am ET

- The specialized news section—which will appear on the toolbar at the bottom of Facebook's mobile app—is set to launch as early as the end of October and will include links to stories from about 200 publications, the people said.
- A person familiar with the matter said Facebook had never planned to pay all the news outlets whose content it would link to in its news section.
- Facebook wants news organizations to allow access to all their stories for possible inclusion in the news tab, but some outlets have pushed for only allowing limited access.
- The company's move to pay for news comes as the big tech platforms have come under growing legal and regulatory scrutiny.
- But the company, which has been accused of bias by conservatives in the past, has been mindful to include a diversity of viewpoints among the outlets that will be featured, one person said.
- Headlines appearing in Facebook's news section will be chosen in some cases by a team of editors and in others by the company's algorithm, people familiar with the matter said.
- The "Top News" section, which will feature about 10 headlines, will be entirely curated by human editors.
- The feed won't include any advertising and all stories will direct readers to the publishers' own websites, the people said.

Facebook to Exempt Opinion and Satire From Fact-Checking

https://www.wsj.com/articles/facebook-to-create-fact-checking-exemptions-for-opinion-and-satire-11569875314?st=eyaa1xhzwgq9akw&reflink=desktopwebshare_permalink

Sept. 30, 2019 at 4:28 pm ET

- As part of the new rules, Facebook will allow publishers of information found to be false by outside fact checkers to appeal to the company, said the people familiar with the changes.
- Posts that Facebook deems to be either opinion or satire won't be labeled as false even if they contain information the fact checkers determined was inaccurate, the people said.
- The rules, which haven't been announced, coincide with Facebook's decision last week to remove a false designation from a Washington Examiner opinion piece, overriding the conclusion of one of its fact-check partners.
- Rappler, a Manila-based news outlet that fact-checks Facebook content in the Philippines, has documented bad-faith publishers dressing up false stories as satire.
- The recent controversy over the fact-checking of antiabortion organization Live Action illustrates the stakes.

- In a video distributed on Facebook, Live Action said that abortion is never medically necessary.
- Live Action accused Facebook of suppressing debate, and the complaint was widely circulated in conservative media and eventually drew the support of Republican Sens. Ted Cruz and Josh Hawley.
- Facebook removed the false designation from Live Action's video, pending an investigation by the International Fact-Checking Network about whether Science Feedback's actions were appropriate.
- Facebook's fact-checking program has been panned by critics, and some partners have reported frustration over the limited tools provided to them.

★ Facebook Reaches Proposed Settlement in Video Measurement Lawsuit

https://www.wsj.com/articles/facebook-reaches-proposed-settlement-in-video-measurement-lawsuit-11570482031?st=xfgj43jxgk3dli4&reflink=desktopwebshare_permalink

Oct. 7, 2019 at 5:00 pm ET

- The legal battle began in 2016 after Facebook disclosed it had incorrectly calculated the average viewing time for video ads on its platform.
- For two years, the tech giant had only counted video views that lasted at least three seconds, ignoring those of shorter durations and artificially pushing the average length of a view higher.
- A group of small advertisers sued in California federal court, alleging that Facebook engaged in unfair competitive practices by providing inaccurate information.
- Under the terms of the proposed court settlement, Facebook would acknowledge it made an error in calculating its metrics but wouldn't admit to any other allegations. "
- This lawsuit is without merit but we believe resolving this case is in the best interests of the company and advertisers," a Facebook spokeswoman said in a statement.
- If approved, Facebook's penalty will cost the company the \$40 million settlement.
- In the second quarter of 2019, Facebook generated more than \$16.6 billion in ad revenue, up 28% year over year.
- Facebook and Alphabet Inc.-owned Google are expected to account for 60.9% of U.S. digital ad revenue in 2019, according to eMarketer. "

Facebook CEO to Testify at House Panel About Libra

https://www.wsj.com/articles/facebook-ceo-to-testify-at-house-panelabout-libra-11570638146?st=98cwu8vq2qc7qp5&reflink=desktopwebshare_permalink

Updated Oct. 9, 2019 at 3:24 pm ET

- Facebook Inc. Chief Executive Mark Zuckerberg is slated to return to Capitol Hill this month to testify before a House panel about the company's foray into cryptocurrency, just weeks after facing a chilly reception from lawmakers about his vision for internet regulation.
- The House Financial Services Committee said Wednesday that Mr. Zuckerberg will be the sole witness at an Oct. 23 hearing that examines Facebook's impact on the financial services and housing sectors.
- Facebook in June revealed plans to launch a new cryptocurrency, known as libra, and digital wallet, called calibra, that could be used to pay for goods online and send money world-wide.
- Facebook has hired seven additional lobbying firms to work on financial issues and cryptocurrencies since June, federal disclosures show.
- PayPal Holdings Inc. said earlier this month it would withdraw from the group, but remained supportive of libra's mission.
- The Libra Association on Monday will discuss the future of the libra payments network and appoint a board to oversee it, and the meeting's outcome will likely bear on Mr. Zuckerberg's congressional testimony.
- A pair of U.S. senators wrote to the CEOs of payments companies Visa, Mastercard and Stripe Inc. this week to voice their concerns over how libra will comply with financial regulations. "
- U.S. agencies have already moved to stiffen regulatory scrutiny of Facebook's business since Mr. Zuckerberg's Capitol Hill visit last year.

★ Warren Escalates Fight With Facebook Over Political Ads

https://www.wsj.com/articles/warren-escalates-fight-with-facebook-over-political-ads-11570933448?st=uuhv9r1iwpj3zex&reflink=desktopwebshare_permalink

Oct. 12, 2019 at 10:24 pm ET

- Sen. Elizabeth Warren sought to turn Facebook Inc.'s political ad policy against it, running an ad with a false claim about Chief Executive Mark Zuckerberg to highlight complaints about the social-media giant's handling of misinformation.
- The ad, which the Warren presidential campaign ran on Facebook, says Mr. Zuckerberg endorsed President Trump's re-election, and shows an image of the two men shaking hands.
- The ad's text then quickly acknowledges that the endorsement claim is false, and criticizes Facebook's policy, announced last month, that it won't fact-check speech or advertising by politicians.
- saying that broadcast stations have aired the Trump campaign's ad nearly 1,000 times "as required by law."
- The Federal Communications Commission "doesn't want broadcast companies censoring candidates' speech.
- We agree it's better to let voters—not companies—decide," Facebook's tweet said.
- Facebook isn't covered by the FCC rules governing political ads on broadcast networks.
- It has spent \$3,400 to \$9,486 on the ad, which has been viewed 180,000 to 750,000 times, according to Facebook's Ad Library.

The Truth Squad Takes Aim at Facebook

https://www.wsj.com/articles/the-truth-squad-takes-aim-at-facebook-11572022586?st=16zawp1cpbi2p33&reflink=desktopwebshare_permalink

Oct. 25, 2019 at 12:56 pm ET

- He was on Capitol Hill again this week, adopting a gentle demeanor of saintly submission while under the lash from lawmakers.
- But the session turned into another Zuck-baiting moment for the cameras as the Facebook founder was once again tied to the metaphorical lamppost and flayed— over everything from privacy violations, to anticompetitive behavior, to the accusation that Facebook is actually reversing the gains made by the civil-rights movement.
- It's a sign of our times that the people who are now the most committed Zuckophobes are liberal Democrats.
- Their enthusiasm for the social network began to sour when, in their somewhat exaggerated estimation, the company became the vehicle for Hillary Clinton's undoing in the 2016 election.
- But the biggest source of liberal dyspepsia on Facebook is on the issue of "free speech."
- The demand that content-hosting companies be required to remove "untruths" from their platforms is superficially appealing.
- Truth is mandated in advertising, so why not in political speech?
- The problem is that we know what the definition of "truth" is for the Facebook critics.
- The right to be wrong is a crucial element of free speech—even the right to be willfully wrong (excluding such obvious offenses as hate speech and incitement to violence).
- History has shown us repeatedly that the best way to counter noxious error is to drown it with truths, not to strangle it with censorship.
- Facebook's latest controversies are part of a larger challenge, as Mr. Zuckerberg said at Georgetown: "I know many people disagree, but, in general, I don't think it's right for a private company to censor politicians or the news in a democracy."

Facebook Advertising Strength Set to Boost Earnings: What to Watch

https://www.wsj.com/articles/facebook-advertising-strength-set-to-boost-earnings-what-to-watch-11572427804?st=w21l0nfefxmpg4m&reflink=desktopwebshare_permalink

Updated Oct. 30, 2019 at 5:39 am ET

- Facebook is scheduled to report earnings after the bell on Wednesday.
- The third-quarter results aren't expected to quite have the drama of Facebook Chief Executive Mark Zuckerberg's congressional testimony.
- Here's what to look out for: Earnings Forecast: Facebook is expected to report \$5.53 billion in net income, or \$1.91 a share, according to analysts surveyed by FactSet.
- Facebook had earnings of \$1.76 per share in the year-ago period.
- Revenue Forecast: Facebook revenue is expected to jump about 26% to \$17.37 billion, according to FactSet.
- Data from advertising platform Kenshoo suggests the growth at Instagram continues to outpace Facebook's core app.
- Kenshoo says spending on Instagram among its clients is up 42% over the past year, 10 percentage points higher than social media advertising in general.
- So investors shouldn't be surprised if the company highlights investments in content moderation and other features, such as safety and security, that may come at the expense of margins.

★● Facebook Agrees to Pay U.K. Fine Over Cambridge Analytica Scandal

https://www.wsj.com/articles/facebook-agrees-to-pay-u-k-fine-over-cambridge-analytica-scandal-11572442488?st=f3oz3b3i89d9lsq&reflink=desktopwebshare_permalink

Oct. 30, 2019 at 9:34 am ET

- Facebook Inc. reached a settlement with the U.K.'s privacy regulator to pay a contested £500,000 (\$643,000) fine for allowing political-data firm Cambridge Analytica to improperly access users' data, but stopped short of admitting wrongdoing.
- The fine, issued almost exactly a year ago, is chump change for a company expected to announce a quarterly net profit of \$5.5 billion later Wednesday.
- But it was the first regulatory penalty against Facebook in a scandal that swelled into a reputational nightmare for Chief Executive Mark Zuckerberg.
- The U.K.'s Information Commissioner's Office on Wednesday said an agreement had been reached with Facebook over the fine but that the social network had "made no admission of liability."
- While Facebook has now settled the U.K. probe, it still faces antitrust inquiries in the U.S. and 11 more privacy investigations in Ireland, which could lead to major fines.
- Ireland's Data Protection Commission is Facebook's lead privacy regulator under the European Union's new privacy law because the company's regional headquarters are in Dublin.
- The £500,000 fine in the U.K. was the maximum penalty under the country's older privacy law.
- Now, the U.K. regulator can issue fines of up to 4% of a company's annual global revenue.

Facebook Takes Down Inauthentic Accounts It Links to Russian Businessman

https://www.wsj.com/articles/facebook-takes-down-inauthentic-accounts-it-links-to-russian-businessman-11572456526?st=exp9k8tya9manvxf&reflink=desktopwebshare_permalink

Updated Oct. 30, 2019 at 2:13 pm ET

Facebook Earnings Overpower Critics for Now

https://www.wsj.com/articles/facebook-earnings-overpower-critics-for-now-11572475605?st=bqiprty14xx39o6&reflink=desktopwebshare_permalink

Oct. 30, 2019 at 6:46 pm ET

- The size of Facebook's user base clearly continues to resonate with advertisers. Ad revenue of \$17.4 billion topped Wall Street estimates, though growth decelerated 1 percentage point to 30% on a constant-currency basis from the second quarter. Capital expenditures also came in lower than analysts had anticipated, driving a solid net income beat.
- Much of those gains this year have been justified. In the face of nearly constant negative news, the social-media giant has still managed to grow advertising revenue more than 25% year-over-year each quarter. Meanwhile, both Facebook and Instagram continue to generate some of the highest levels of returns for advertisers among major internet channels, according to sell-side surveys.
- Still, it is tough to get too excited about owning Facebook stock in the near term, given the company's expectation for decelerating revenue coupled with heightened regulatory risk. At 6.5 times forward sales, Facebook is now trading at roughly the midpoint of its range over the past year—a discount to faster-growing [Snap](#) Inc. but a slight premium to Twitter following its recent earnings-driven selloff.

Facebook Earnings Soar as Zuckerberg Warns of 'Tough Year' Ahead Politically

https://www.wsj.com/articles/facebook-reports-growth-in-revenue-users-11572467564?st=qkka8rae5sp7ft8&reflink=desktopwebshare_permalink

Updated Oct. 30, 2019 at 7:16 pm ET

- The social-networking company Wednesday said it removed 172 Facebook accounts, pages, groups and Instagram accounts that originated in Russia and targeted users in several African nations.
- Its investigation connected the campaigns to entities associated with Yevgeny Prigozhin, a Russian businessman indicted by the U.S. Justice Department last year for allegedly orchestrating a campaign on Moscow's behalf to influence the 2016 U.S. presidential election.
- Last month, the Treasury Department issued fresh sanctions against him over alleged interference in the 2018 midterm vote.
- Facebook said the removed accounts were created to mislead others about who was behind them and their intentions.
- The Kremlin and Mr. Prigozhin have previously denied the U.S. allegations.
- Findings from a Senate Intelligence Committee report earlier this month drew similar conclusions to previous investigations that Russian-backed agents used social media to influence the 2016 U.S. presidential election.
- The report also pushed for social-media companies to do more to stop manipulation campaigns ahead of next year's elections.
- Social-media manipulators have modified their techniques in recent years to better avoid detection.

★● Twitter to Ban Political Ads

https://www.wsj.com/articles/twitter-to-no-longer-accept-political-ads-11572466313?st=kzd3fk7mz79rbmi&reflink=desktopwebshare_permalink

Updated Oct. 30, 2019 at 8:11 pm ET

- Twitter Inc. is banning political advertising, taking the opposite position of rival Facebook Inc. on an issue that is riling campaigns and prompting social-media companies to rethink how to deal with the spread of potentially false and misleading information on their platforms.
- The decision, announced in a series of tweets Wednesday from Twitter Chief Executive Jack Dorsey, reverberated to political campaign staffers, digital media buyers and even President Trump.
- Twitter's policy will be enforced world-wide starting Nov. 22, Mr. Dorsey said.
- She added that Twitter doesn't have as large of an audience as Facebook or Google, and its ad tools aren't as good for political advertisers. "
- This decision was based on principle, not money," Twitter finance chief Ned Segal said in a tweet.

- Facebook, Twitter and platforms including YouTube, part of Alphabet Inc.'s Google, came under fire for their role in politics after Russian trolls used their platforms to spread divisive information around the 2016 U.S. presidential election.
- Facebook has long avoided fact-checking political candidates' personal Facebook posts, and said in early October that it would exempt campaign ads from fact-checking.
- In early October, Facebook refused to remove an ad from President Trump's re-election campaign, run on multiple platforms, that made an unsubstantiated claim about former Vice President Joe Biden's role in the ouster of a Ukrainian prosecutor.
- Mr. Zuckerberg said in a Facebook post Wednesday that although he has considered whether Facebook should carry political ads, he believes his company should continue to run them. "
- Twitter's Mr. Segal told analysts on a conference call earlier this month that the company generated "less than \$3 million" from political ads during the 2018 midterms.
- The company last week reported a stumble in its ad business in the most recent quarter, as a pullback in spending from some buyers and weaker pricing for ads hurt revenue growth.
- Video-sharing app TikTok, owned by Chinese firm Bytedance Inc., in early October said it had decided to not allow political ads.