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Testimony of Steve Satterfield
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I.   Introduction

Chairwoman Klobuchar, Ranking Member Lee, and members of the Subcommittee: good afternoon and thank you for the opportunity to be here today. My name is Steve Satterfield, and I am Vice President of Privacy and Public Policy at Facebook. I have been with the company for seven years. In my current role, I focus on developing and sharing Facebook's perspectives on data regulation globally.

I appreciate the Subcommittee's interest in the topics of today's hearing and the work that you all do to ensure the competitiveness of American markets. I believe Facebook has an important perspective on these issues, given the substantial contributions we have made to the technology sector in the nearly twenty years since our founding.

I also welcome the chance to engage on the topics of data and privacy. We believe that many of the concerns expressed by Congress and other stakeholders with respect to privacy issues can be addressed by appropriate legislation, and we stand ready to be a productive partner in those efforts. As we have said for some time now, we support updated rules of the road for the internet and privacy regulations that will set more consistent data protection standards that work for everyone.

Facebook provides many ways to communicate, discover, share, and connect with people, businesses, news, and entertainment. We also help millions of businesses reach and engage with their customers. To earn people's time and attention, we compete fiercely with many other services across the world.

Facebook respects the role of Congress in shaping our nation's competition policy and wants to be helpful where we can. We strongly believe that we are a force for good in the world, and I look forward to discussing our products with you. The reality, however, is that our company is currently facing multiple lawsuits, including those brought by the Federal Trade Commission and a number of state attorneys general, that limit what I will be able to address today. As we informed the Subcommittee well in advance of the hearing, the litigation process will necessarily limit the extent of my testimony. Nevertheless, we appreciate the invitation to participate in today's hearing, and I am glad to be able to share what I can.

II.   Facebook Uses Data Responsibly

Like many services, Facebook helps people share, connect, communicate, or find interesting content. Each day, Americans use Facebook to connect with people, businesses, and other entities; share and view content, including videos, photos, livestreams, posts, and messages; read the news; join communities of interest; and set up fundraisers for good causes, among many other things. All of these activities support our mission to give people the power to build community and bring the world closer together, and data helps make all of them possible. We believe that our products are most useful when people can connect with what they care most about. People around the world choose to use our products not because they have to, but because they want to—because our products make their lives better.

At Facebook, we use data responsibly to provide personalized experiences. We also use information to, among other things, improve our products; provide measurement, analytics, and other business services; promote safety, integrity, and security; communicate with people who use our services; and innovate for social good, including by connecting and lifting up marginalized communities and addressing humanitarian crises. For example, Facebook's innovative use of data helps people to understand what is needed in the first hours of a disaster or the public conversation around a health crisis, information that is crucial to decision-making but previously was either unavailable or too expensive to collect in a timely manner.

Data also helps us show people better and more relevant ads, which keeps Facebook free. And it lets advertisers reach the right people, benefiting more than 10 million businesses and non-profits that use Facebook every day to advertise to those that might be interested in their product or cause. Our advertising platform can accommodate almost every budget, and we help advertisers reach their target audience and maximize their impact. Our advertising services have enabled numerous businesses to grow, create jobs, and more effectively compete, leading to more choice and better products for consumers.

We take very seriously our responsibility to protect the data people entrust us with. We also seek to ensure that the machine learning we use in processing people's data is applied in a responsible manner. We invest billions of dollars each year in people and technology to keep our platform safe, including protecting people's data. We work around the clock to help protect people's accounts, and we build security into Facebook products.

We further offer a number of tools that provide people transparency and control over the data we receive. Our approach is based on the belief that people should be able to control who can see what they share and how their data shapes their experience on Facebook. People can control the audience for their posts and manage how apps receive their data. They can choose people, Pages, Groups, and Events to connect to. They can provide feedback on posts they see on Facebook—feedback, for example, that they want to see less of a particular kind of post or fewer posts from a particular person or Page. They also have options to remove content they share from Facebook.

We have steadily made improvements to the privacy protections and controls we offer, and we continue to invest in building new privacy technology. Our goal is to be clear about how our apps work and give people control over their experience, so we've worked with policymakers, regulators, academics, civil society, businesses, and other stakeholders over the years to build tools

that show people how their information is used and let them manage it. For example, people can tap Why Am I Seeing This Ad? on ads in News Feed to get more information and control over what they see going forward. This tool shows people reasons why they're seeing a certain ad, whether it's based on interests that matched them with the ad or actions they took on the business' website; and, where possible, people can see how that information was gathered. From there, people also have easy access to controls, like Ad Preferences, which lets them manage the ads they see, learn more about how ads work, and hide ads from specific advertisers or topics. And our controls aren't just for ads. We also offer tools like Manage Activity and Privacy Checkup so people can easily customize their overall experience on Facebook based on what's right for them. Millions of people use our Privacy Checkup tool each month.

We also offer a variety of tools to help users understand the data Facebook has about them. This includes the Access Your Information tool, which allows users to see information such as their recent activity, security and recent login information, advertisers they've interacted with, and more. And to provide more transparency and control around these practices, we have rolled out a way for people to manage their off-Facebook activity. Off-Facebook Activity lets people see a summary of apps and websites that send us information about their activity and allows them to disconnect this information from their account if they want.

At Facebook, we believe that if people share data with one service, they should be able to move it to another. Making it easy to move data to new services unlocks exciting opportunities. This is why we offer the Download Your Information tool, enabling people to download a copy of the information they share on Facebook in a format that is easy to view, or a machine readable format, which could allow another service to import it. Additionally, we participate in the Data Transfer Project, a collaborative effort with Apple, Google, Microsoft, SmugMug, and Twitter to build a common way for people to transfer this data between online services. The goal of this project has been to make it easier for users of services of any size to securely and directly transfer data from one service to another. Building on the Data Transfer Project's open-source framework, in 2020, we launched the Transfer Your Information tool. We continue to build out the capabilities of this tool, and today it enables users to directly transfer their Facebook photos, videos, posts, notes, and events to a variety of relevant destinations that include WordPress, Blogger, Google Docs, Google Photos, Google Calendar, BackBlaze, Dropbox, Photobucket, and Koofr. We want to build practical portability solutions that can enhance participation across the digital ecosystem, and we continue to invest in adding new capabilities to strengthen our data portability offerings.

Of course, there are always risks when people transfer data online. Congress should set out clear rules on data portability so that we can continue to scale the tools we've built to better enable people to safely and securely move their data between services. Along the same lines, Congress could also create rules to govern how platforms should use, analyze, and share data for the public good.

We store the information that we receive in multiple data centers throughout the country and the world, and we strive to make these facilities climate-friendly. In fact, in 2011, Facebook was one of the first companies to commit to supporting its facilities with 100% renewable energy. Today, the company's U.S. data center fleet is supported by 100% renewable energy, and Facebook is on track to maintain this commitment for future data center developments and expansions.

Finally, it is important to note that our data analysis facilitates cooperation with law enforcement as they seek to protect us all. We have a long history of working successfully with the Department of Justice, the FBI, state and local law enforcement, and other government agencies around the world to address a wide variety of threats to our platform. We reach out to law enforcement when we see a credible threat of imminent harm. We contact federal, state, or local law enforcement depending on the specific circumstances of a threat. We also have robust processes in place to handle government requests we receive, and we disclose data in accordance with our terms of service and applicable law.

III.   Facebook Innovates Constantly

We work constantly to improve our services and products, including by introducing fresh features and developing new ways for people and businesses to connect. Data is part of that effort.

When Facebook was first created, the site consisted primarily of text details about each user. Today, we offer a much wider variety of capabilities through the Facebook family of products and services. Facebook users can create new content, read news, broadcast or watch live video, play games, connect with businesses, buy and sell their own products, send and receive payments, organize groups and events, and raise money for important causes, among many other options. Like many services, WhatsApp provides free, secure communication, including voice and video calls. Instagram offers world-class tools to create and share content based not just on photos, but also videos, augmented reality, and more.

Providing the highest-quality features and best experience for consumers is at the heart of what we do. We offer innovative services that people use to connect and share with their friends, families, businesses, and wider communities. Our products also allow content creators to share their creativity and build community, entrepreneurs to grow their businesses, and non-profits to hit their fundraising goals, among other things.

When Facebook launched in 2004, it had no Photos, Like button, News Feed, Messenger, Events, Shops, or Rooms. As the ways people connect and share evolved over the years alongside rapid innovations in technology, we built new and better apps and services. In turn, many of the iconic features we pioneered have been adopted and improved upon by other companies. And the Facebook family today goes beyond software, with hardware products like Oculus and Portal.

We are always working to develop technologies that enhance the way people connect and communicate, and data is key to that work. We use the data that people entrust to us to pursue new products and features that people want, and we do so because we know that if we don't constantly keep innovating and improving, we will fall behind. When Facebook started, we faced established competitors—including AOL and MySpace—with lots of user data. That did not protect them from others building better products, as success comes from creating products users value and enjoy, not from how much data you have. Apps often rise from nothing to prominence very quickly.

IV.   Facebook Competes Vigorously

Facebook as we know it today would not have been possible without laws that encourage competition and innovation. We've been successful because we've made risky bets, invested, innovated, and delivered value to people, advertisers, and shareholders. As the internet has grown over the last 25 years, the ways in which people share and communicate have exploded thanks to dynamic competition. The most successful platforms mature and adapt to people's changing preferences. Our products became popular for this very reason—we constantly evolve, innovate, and invest in better experiences for people against world-class competitors like Apple, Google, Twitter, Snap, Amazon, TikTok, Microsoft, and many more. We innovate and improve constantly because we have to in order to stay relevant.

As our CEO Mark Zuckerberg has explained, we believe that strong and consistent competition is vital because it ensures that the playing field is level for all. Facebook competes hard, because we're up against other smart and innovative companies. We know that our future success is not guaranteed, especially in a global tech industry defined by rapid innovation and change. The history of technology is often the history of failure, and even industry-leading tech companies fail if they don't stay competitive, hence our focus on delivering better services for people and businesses and competing as vigorously as we can within the rules.

We face robust competition in every aspect of our business, and we only succeed when we build things that people find valuable. Today, people have more choices at their fingertips than ever before. Near-constant technological innovation has created an ever-more competitive environment, and we invest heavily in our products and services to stay relevant and competitive, committing more than $18 billion to research and development last year.

And just as people choose to use Facebook, so too do millions of businesses—large and small— choose to use our free tools and advertising products. We compete for advertising dollars with other digital platforms, from Google to TikTok, and with other channels such as television, radio, and print. Businesses choose us because our apps and services deliver real value. We are proud of our record, and we will continue to focus on building and updating our products to give people the best experiences possible.

V.   Conclusion

Facebook's success rests on our ability to bring value to people's lives, and that requires us to innovate constantly. In doing so, we responsibly use and analyze data to enhance user experiences and improve our products and services that allow people to connect and share what matters most to them, recognizing that if we don't keep improving, our many competitors will, and we will lose our users and advertisers. Thank you, and I look forward to your questions.