Exhibit 169

Submission to the CMA's call for information: algorithms, competition and consumer harm

I. Introduction

Facebook welcomes the opportunity to respond to the United Kingdom's Competition & Markets Authority's (CMA's) open consultation on algorithms, competition, and consumer harm.[1] The consultation involves critical issues deserving of careful consideration by regulators, companies, civil society, and academics. These important issues require broad participation and engagement because the questions are complex, nuanced, and context-dependent. We see great value in all stakeholders working together to co-create policy approaches that unlock the tremendous benefits from algorithmic technologies while limiting their potential consumer harms.

At Facebook we work hard to ensure that all of our technologies work together to help achieve our mission of giving people the power to build community and bring the world closer together. As we describe in the first section of the response, algorithms are a key part of how we fulfill that mission. First, they help us personalize what people see, whether that's the posts in their feeds, the Pages or Groups they might like, the ads they are shown, or the people that they might want to friend or follow. Second, they help us support the millions of businesses that use our services to reach people and grow, by offering affordable and effective advertising solutions. And third, they help us keep our community safe, by helping to detect and remove harmful content.

Offering a personalised experience is a central component of the value our services provide; and algorithms play a key role in delivering that personalised experience. We believe strongly that personalisation brings tremendous benefits. But we also agree that it is important for users to understand that personalization and how it is delivered. As described in the second section of this response, that is why we have created industry-leading tools that give our users transparency and control around the way algorithms are used to improve their experiences.

Notwithstanding the tremendous benefits they offer, algorithmic systems also raise important policy and legal issues, including how to ensure that our systems are fair, transparent,

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[1] Competition & Markets Authority (2021) *Algorithms, competition and consumer harm: call for information*, *GOV.UK*. Available at:[HYPERLINK "https://www.gov.uk/government/consultations/algorithms-competition-and-consumer-harm-call-for-information" \h][HYPERLINK "https://www.gov.uk/government/consultations/algorithms-competition-and-consumer-harm-call-for-information" \h] (Accessed: 17 February 2021).

accountable, and privacy-protecting. We agree these are important questions for the CMA to prioritize. At the moment, however, there exist more questions than answers. In the third part of the response, we set out some of the challenges that we see, and the way forward to address these. One of the significant challenges is the lack of clearly defined best practices, practical standards, and technical frameworks for measuring and assessing algorithmic systems like AI, particularly in terms of their potential risks to individuals and society. Without those standards and best practices, the investigatory techniques described by the CMA are premature, risk being ineffective, and may be disproportionate to the harms they are intended to address. Nonetheless, we believe that by working with the CMA and other stakeholders, we can collaborate in shared efforts to establish meaningful standards and answer the hard questions about how best to govern algorithms in the 21st century.

II. Benefits of algorithmically enhanced services

Facebook users report again and again that they derive substantial value from the ways in which Facebook helps them connect and share with their friends, families and wider communities. An MIT economic study found that social networking tools like Facebook are worth ~$48/month to the average user, and that online video services like Facebook Live and YouTube are worth ~$100/month to the average user.[2] These services are valuable because they provide positive and engaging experiences for people. And many of those experiences are made possible through algorithmic tools.

A. Algorithms improve the user experience

Facebook's mission is to give people the power to build community and bring the world closer together. Helping build community is fundamentally about connecting people to the other users, businesses, causes, and information that they care about. To deliver on its mission, Facebook offers people a personalised experience where content, including ads, is tailored to an individual's interests. Algorithmic tools are essential to delivering this personalized experience.

1. People benefit from personalised content

Algorithmic tools are an essential part of how Facebook ensures that every user sees the content that matters to them. No two people have the same set of friends, or set of Groups and Pages that they follow. Facebook by definition is personalised; for each person on Facebook, there is a different Facebook. It is that personalisation that allows us to show each user important updates and stories from their friends and families, and do that in unique and meaningful ways for each of our more than 2 billion users around the world. And for each of those people, at any given moment there could be more than a thousand posts that could

[2] Brynjolfsson, E., Eggers, F. and Gannamaneni, A. (2018) 'Measuring Welfare with Massive Online Choice Experiments: A Brief Introduction', *AEA Papers and Proceedings*, 108, pp. 473–476. doi:[HYPERLINK "https://doi.org/10.1257/pandp.20181035" \h][HYPERLINK "https://doi.org/10.1257/pandp.20181035" \h].

potentially appear in that person's feed. Our ability to deliver a positive, engaging, and delightful experience for people depends on Facebook's ability to show the handful of posts most meaningful and important to each user.[3]

This is possible through the use of algorithmic tools, including the News Feed ranking system, which consists of multiple layers of machine learning models and rankings that we apply in order to predict the content that's most relevant and meaningful for each user. At each stage in the process, the News Feed ranking system narrows down those thousands of candidate posts to the small subset that appear in someone's News Feed at any given time.

Put simply, the system determines which posts show up in someone's News Feed, and in what order, by predicting what content they're most likely to be interested in or meaningfully engage with. These predictions are based on a variety of factors, including what and whom they've followed, liked, or engaged with recently.[4] All of the algorithmic tools that make up our ranking system are built around our primary objective: creating the most long-term value for people by showing them content that is meaningful and relevant to them.

In addition to using algorithmic systems to determine the content people see in News Feed, we also make personalized recommendations using machine learning and algorithms to help users discover new communities and content they may be interested in. Facebook may recommend content, accounts, and entities (such as Pages, Groups, or Events) that users do not already follow. Some examples of our recommendation experiences include Pages You May Like, "Suggested For You" posts in News Feed, and People You May Know.[5] Our goal is to make recommendations that are relevant and valuable to each person who sees them, so that they can connect with the other users, communities, causes businesses, and information they care about.

Although algorithms are the essential tools that we use to create the most long-term value for our users, the process is ultimately driven by the experience of our users. Measuring the experience of our users is not a mysterious, black-box process. Facebook has hundreds of researchers that conduct surveys, focus groups, usability studies, one-on-one interviews, and more in order to learn what kinds of content users find meaningful.[6] And we continuously feed

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[3] Lada, A., Wang, M. and Yan, T. (2021) *How does News Feed predict what you want to see?*, *Facebook Technology*. Available at:[HYPERLINK "https://tech.fb.com/news-feed-ranking/" \h][HYPERLINK "https://tech.fb.com/news-feed-ranking/" \h] (Accessed: 16 February 2021).

[4] *Id.*

[5] Facebook, *What are recommendations on Facebook?* | *Facebook Help Center*. Available at:[HYPERLINK "https://www.facebook.com/help/1257205004624246/?helpref=search&query=recommendations&search_session_id=5d5bca7781cbb1308fa641cf4818cf2a&sr=0" \h][HYPERLINK "https://www.facebook.com/help/1257205004624246/?helpref=search&query=recommendations&search_session_id=5d5bca7781cbb1308fa641cf4818cf2a&sr=0" \h] (Accessed: 15 March 2021).

[6] Facebook (2018) 'How Users Help Shape Facebook', *About Facebook*, 13 July. Available at:[HYPERLINK "https://about.fb.com/news/2018/07/how-users-help-shape-facebook/" \h][