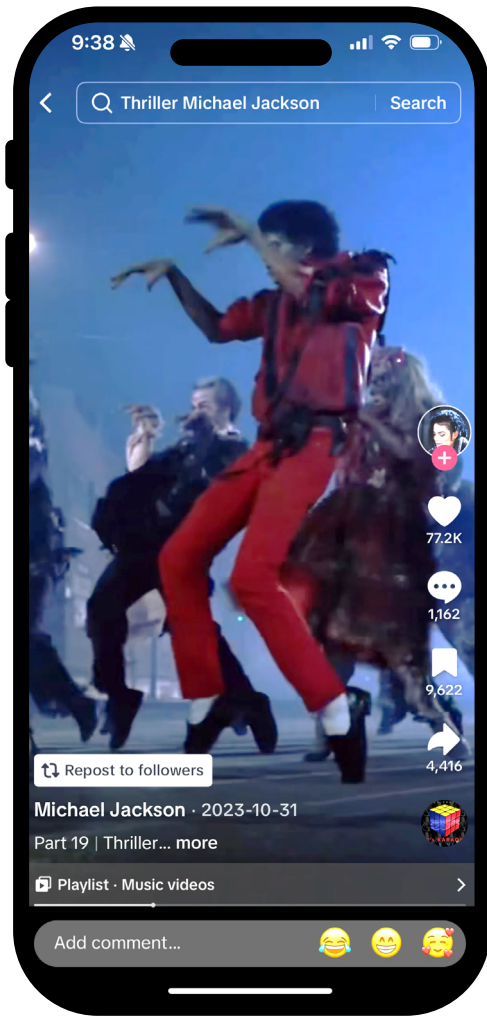


# Meta's Opening Statement

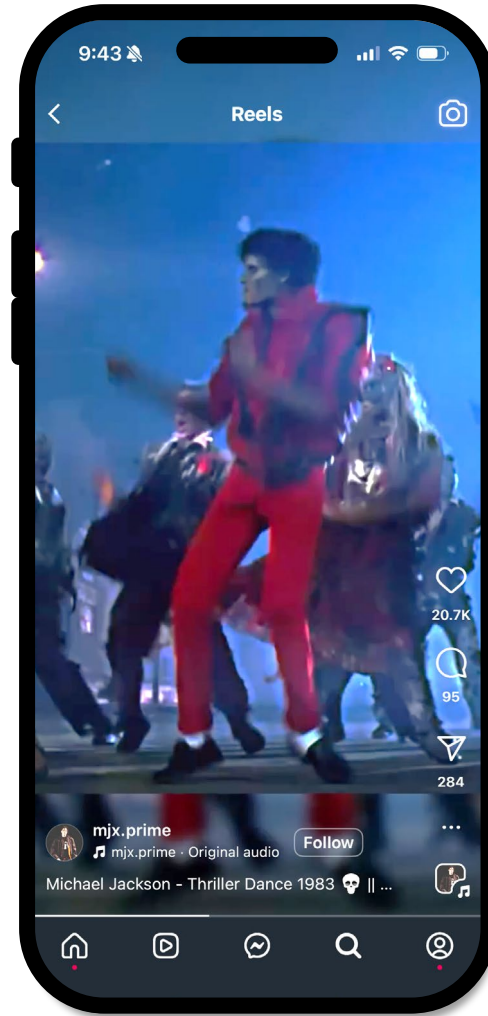
*FTC v. Meta Platforms, Inc.*  
Case No. 1:20-cv-03590-JEB

April 14, 2025

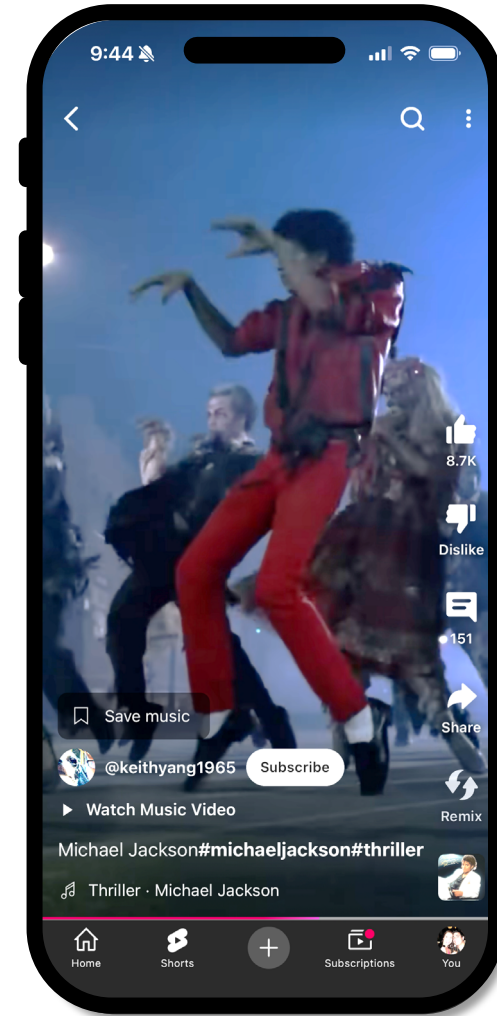
# TikTok, Instagram Reels, YouTube Shorts: Indistinguishable



TikTok



Instagram Reels



YouTube Shorts

# Roadmap

1

Direct Evidence: Meta Is Not a Monopolist

2

“Indirect” Evidence: Meta Is Not a Monopolist

3

Meta’s Acquisitions Were *Pro-Competitive*

4

Meta’s Acquisitions Produced Extraordinary Efficiencies

# Evidence of Monopoly Power

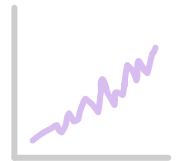
## Direct Evidence

- Prices above competitive level **None**
- Output decreased below competitive level **None**
- Total quality below competitive level **None**

# Meta *Does Not Do* What a Monopolist Does

## Undisputed Direct Evidence

**\$0** Meta does not charge and has *never* charged a price

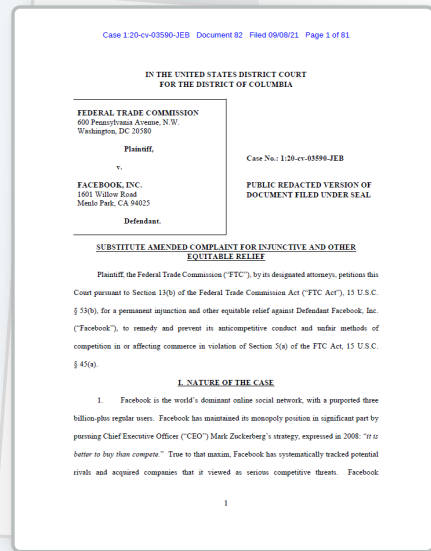


Meta has *never* restricted output



Meta has *never* degraded quality below a competitive level

# FTC: Alleged Monopoly “from 2011”



networking services. First, Facebook has maintained a dominant share of the relevant market for U.S. personal social networking from 2011 until the present day. Second, direct evidence indicates that Facebook has monopoly power with respect to U.S. personal social networking services.

# Price of Some Competitive Apps



\$0



\$0



\$0



YouTube

\$0



Snap

\$0



\$0

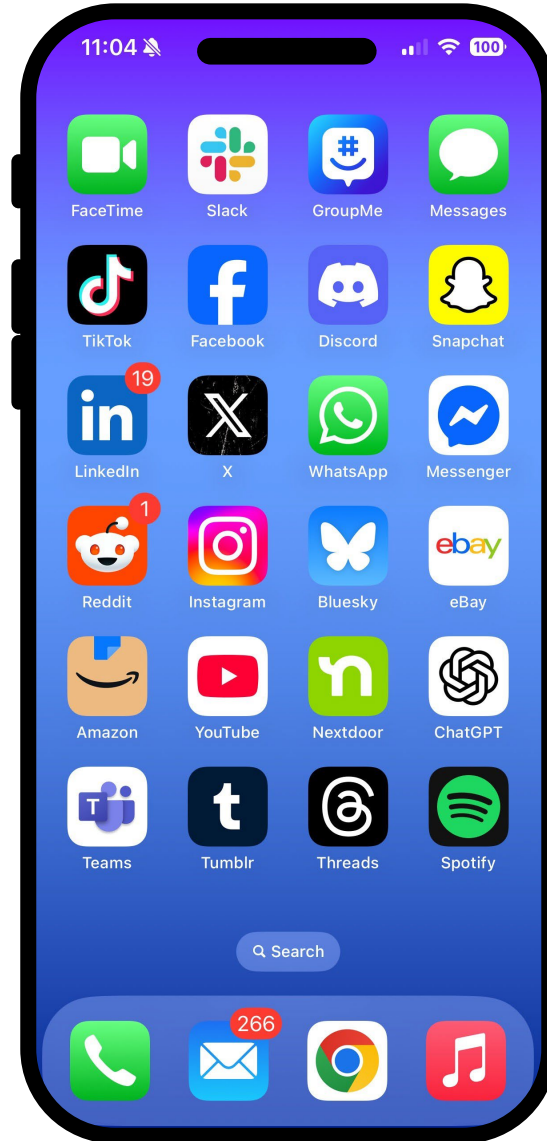


\$0

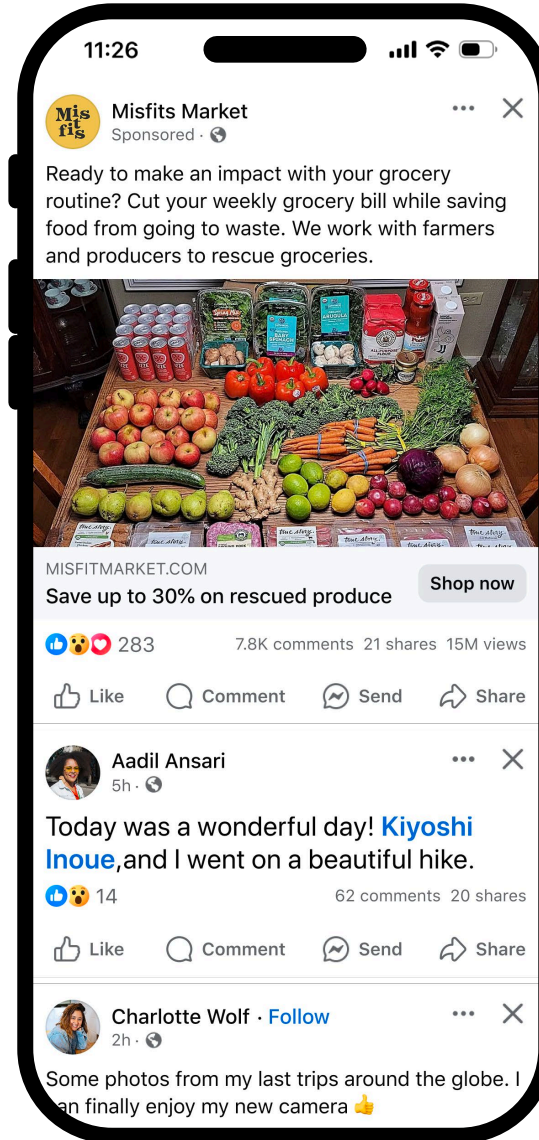


\$0

# Apps Instantly Accessible on Home Screen



# Scrolling Past Ads on Meta Apps



# Meta *Does Not Do* What a Monopolist Does

## Undisputed Direct Evidence

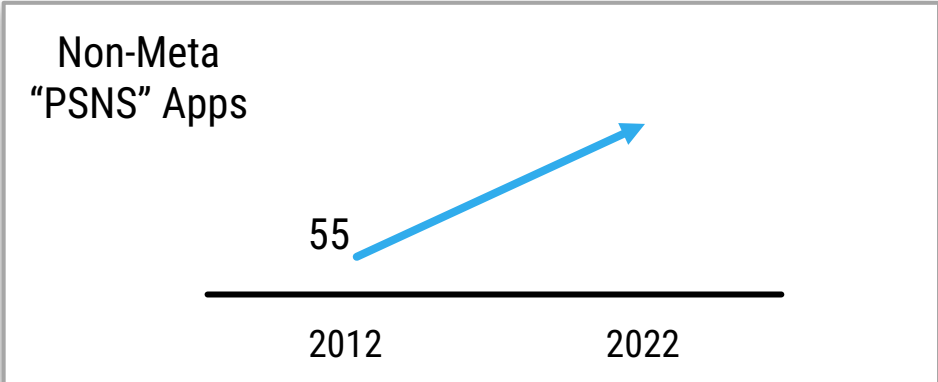
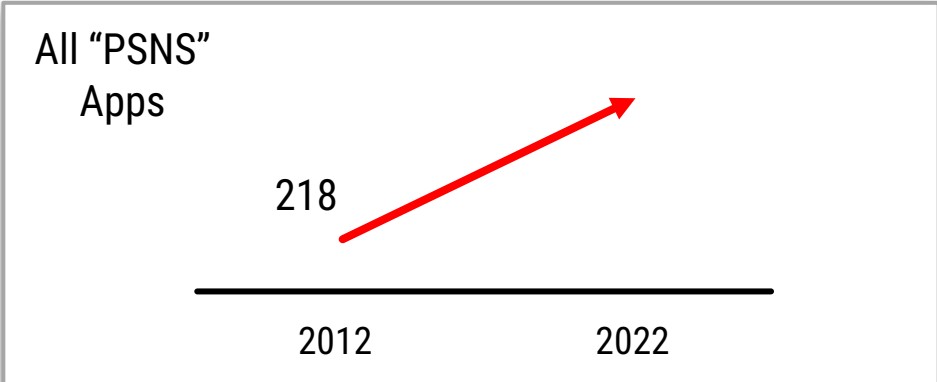
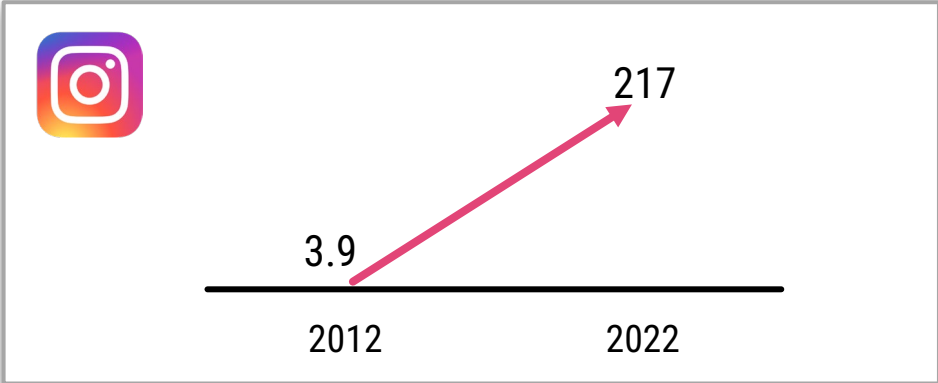
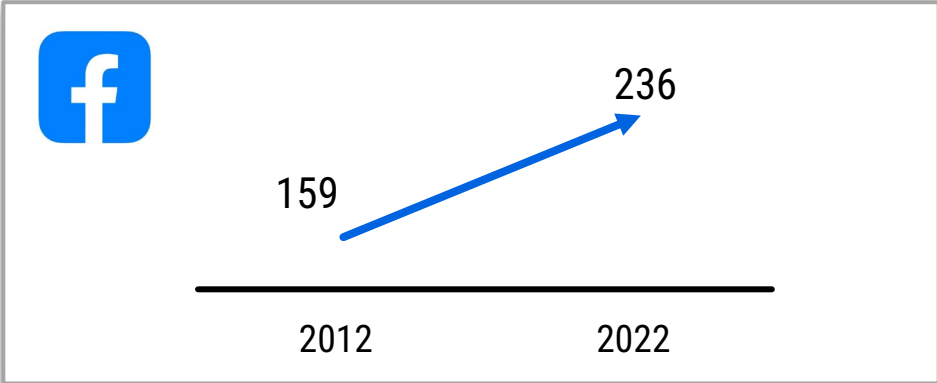
 Meta does not charge and has *never* charged a price

 Meta has *never* restricted output

 Meta has *never* degraded quality below a competitive level

# Output Expansion is *Dramatic*

## Growth in U.S. Monthly Active Users (millions)



# Meta *Does Not Do* What a Monopolist Does

## Undisputed Direct Evidence



Meta does not charge and has *never* charged a price

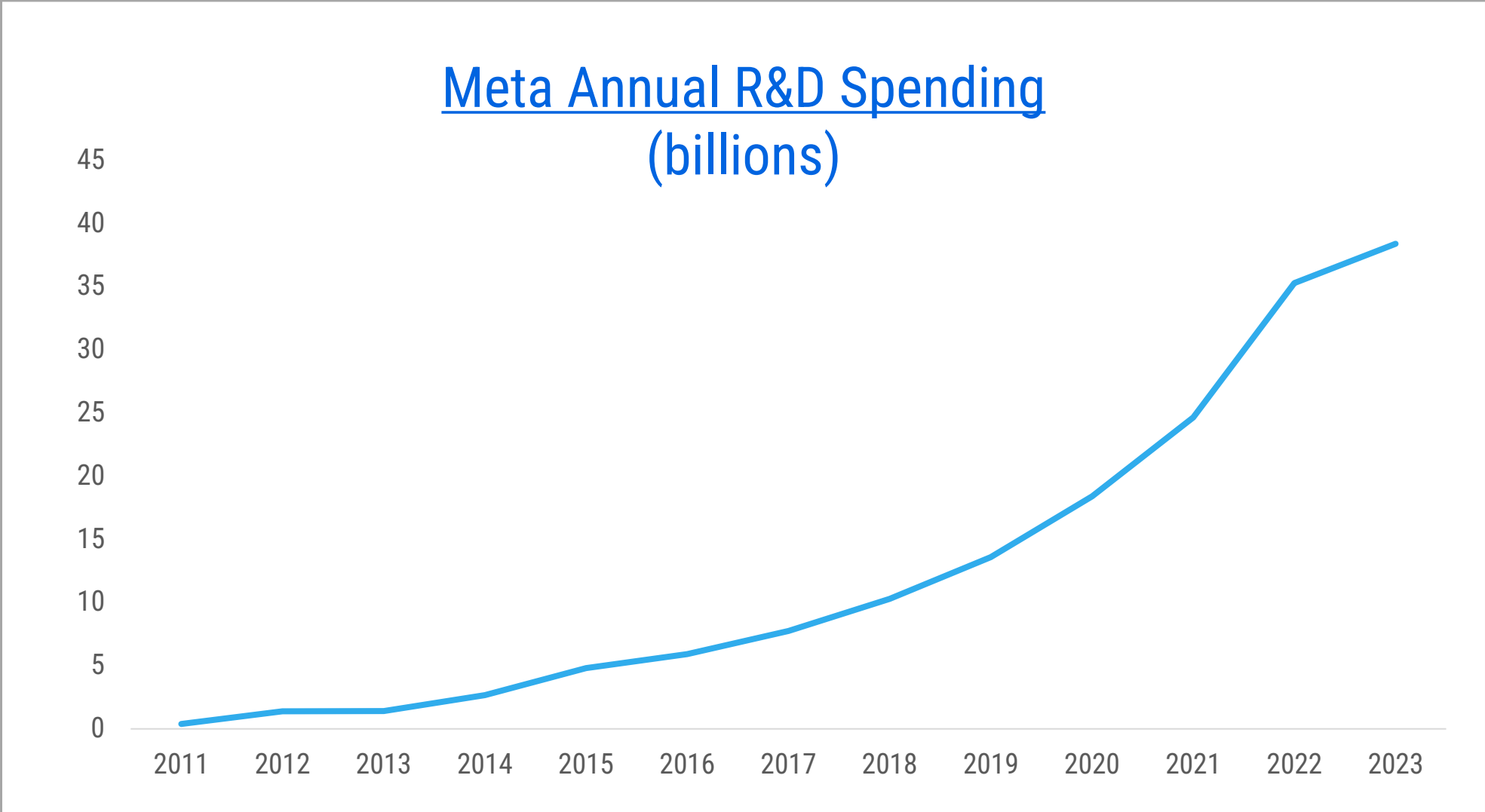


Meta has *never* restricted output

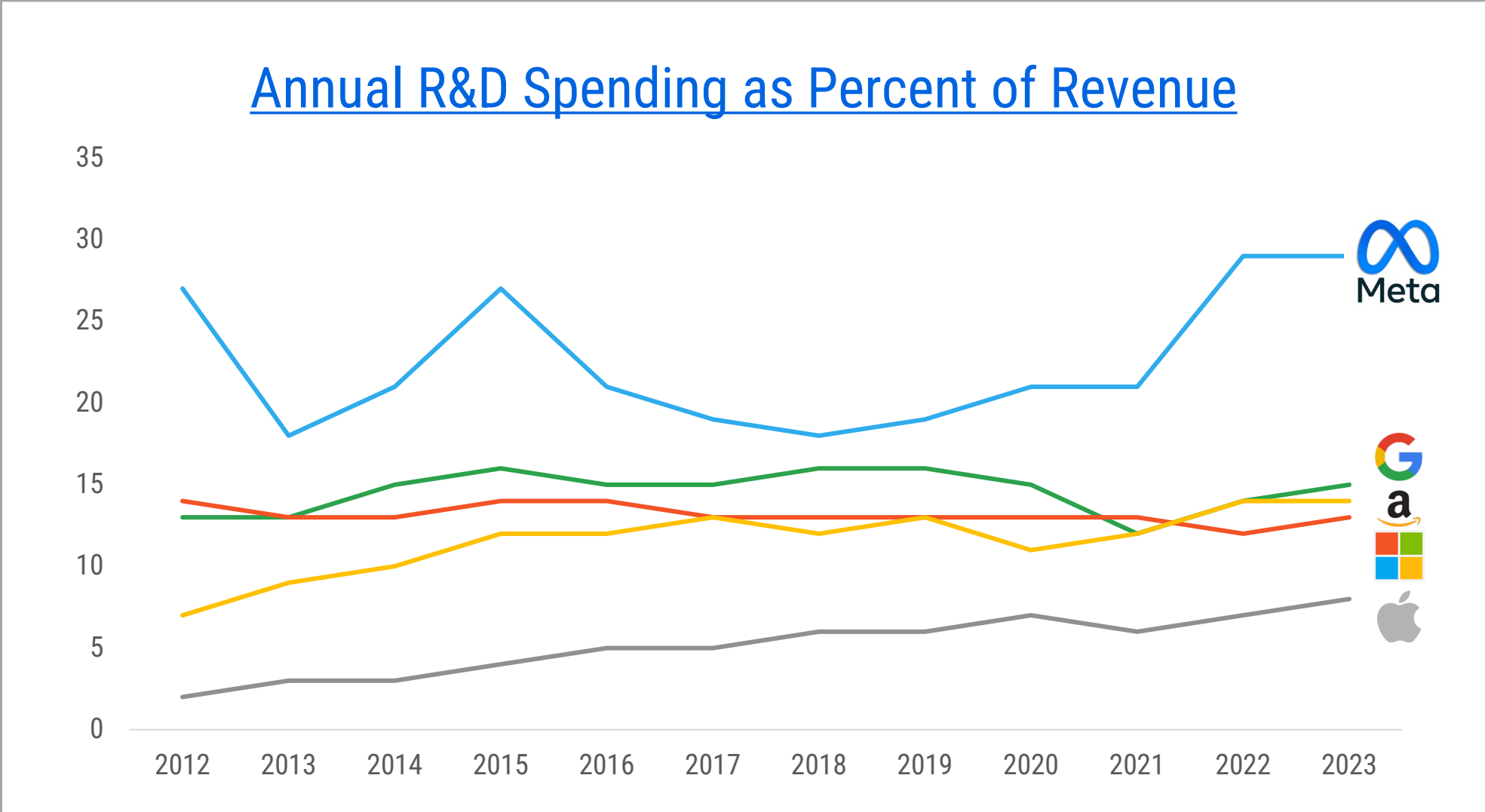


Meta has *never* degraded quality below a competitive level

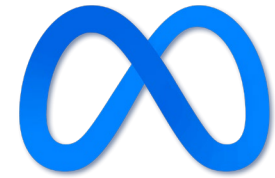
# Meta Spends More to *Improve* Apps



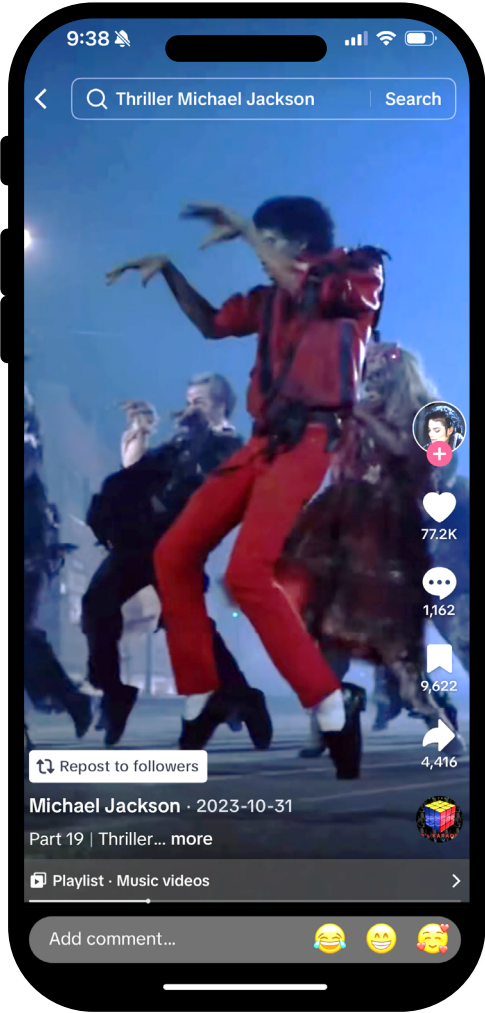
# Meta Spends *More than Peer Tech Firms*



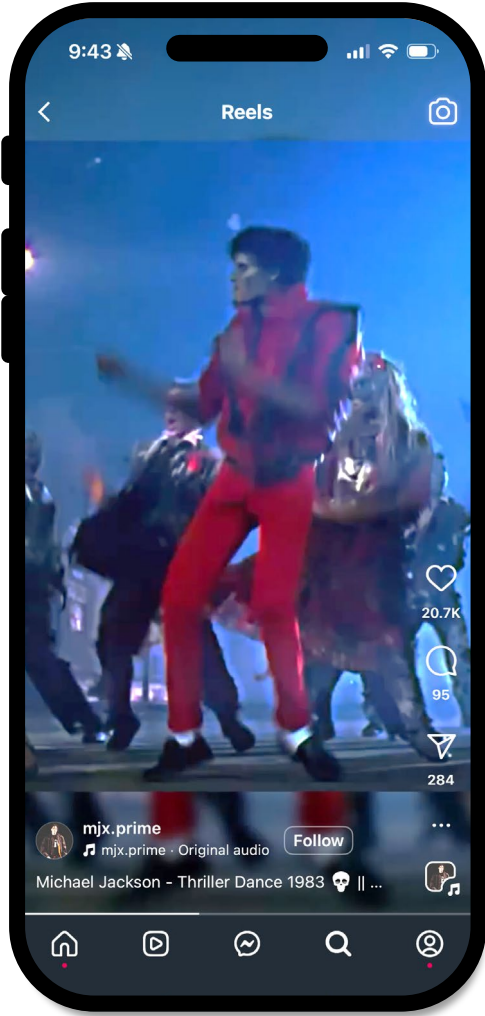
# Selected New Features Innovated by Meta Since 2011



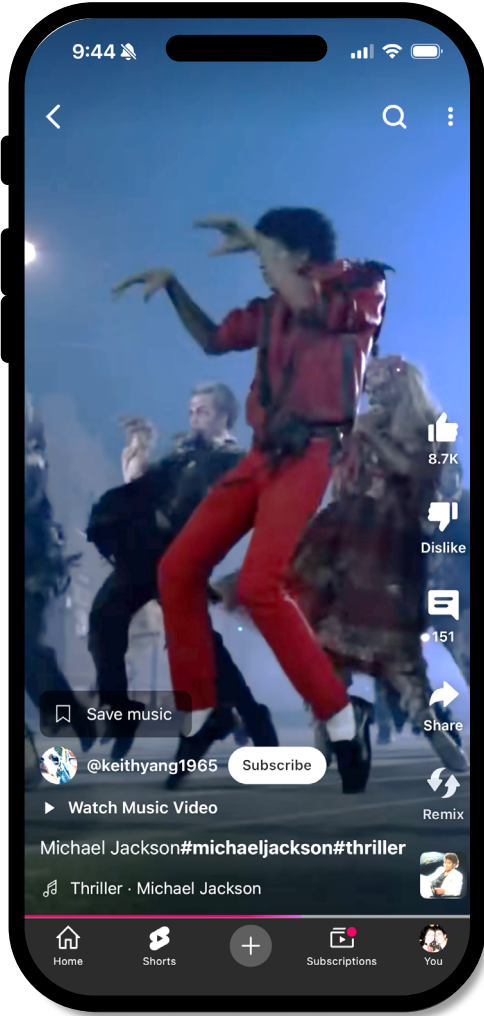
# Innovations in Video by Competitors



TikTok



Instagram Reels



YouTube Shorts

# Meta Has Improved Quality: *Undisputed*

Scott Hemphill

FTC Expert Witness



Q. And the addition of **Reels was a quality improvement, correct?**

A. **It's a quality improvement**, I think I would agree with that.

...

Q. You would agree with me that the **addition of Stories** to the Instagram and Facebook apps was a **quality improvement**, correct?

A. **Yes. I would** – I would agree with that and indeed emphasize the introduction of Stories by Facebook and Instagram as a product improving competitive response to the threat posed by Snapchat.

# FTC Reaches Consent Orders with Snapchat, YouTube

An official website of the United States government [Here's how you know](#) ▼

Español Report Fraud Get Consumer Alerts Search the Legal Library

 **FEDERAL TRADE COMMISSION**  
PROTECTING AMERICA'S CONSUMERS

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For Release


## Snapchat Settles FTC Charges That Promises of Disappearing Messages Were False

Snapchat Also Transmitted Users' Location and Collected Their Address Books Without Notice Or Consent

May 8, 2014 | [f](#) [X](#) [in](#)

An official website of the United States government [Here's how you know](#) ▼

Español Report Fraud Get Consumer Alerts Search the Legal Library

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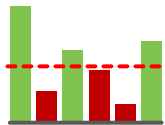
For Release

## Google and YouTube Will Pay Record \$170 Million for Alleged Violations of Children's Privacy Law

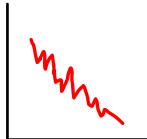
FTC, New York Attorney General allege YouTube channels collected kids' personal information without parental consent

# Ad Hoc Complaints About “Quality” Are Not Relevant to this Antitrust Case

## No Evidence That Any Issues Are



Unique to Meta / worse at Meta than any benchmark



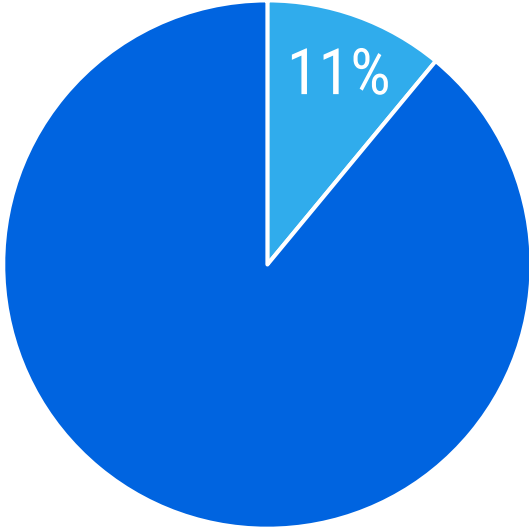
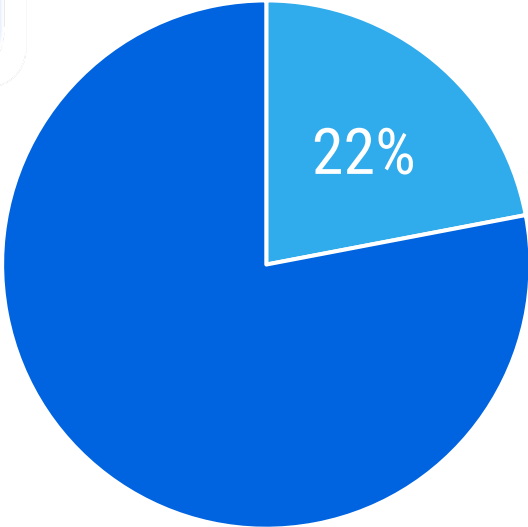
Proof of an overall, measurable decline in Meta app quality



Caused by or related to acquisitions

# Broadcast “Friends” Sharing Decline Has Continued

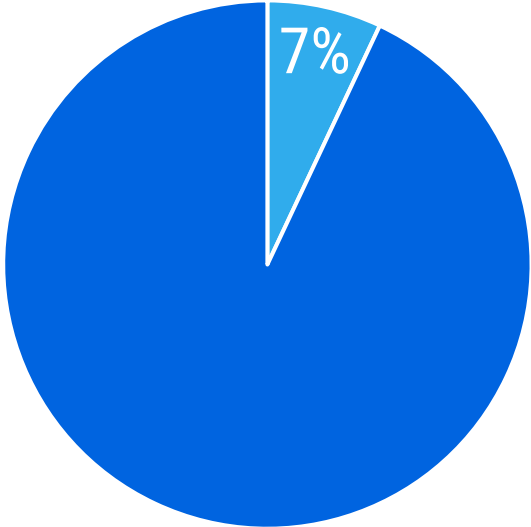
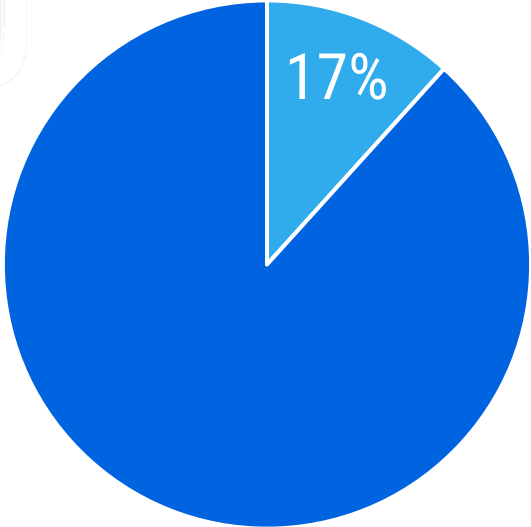
Percent of Time Spent Viewing Content Posted by “Friends”



2023

# Broadcast “Friends” Sharing Decline Has Continued

Percent of Time Spent Viewing Content Posted by “Friends”



2025

# Evolve or Die

The screenshot shows a MySpace user profile for 'Tom'. At the top, there is a blue navigation bar with 'MySpace.com' on the left and 'Español | Help | SignOut' on the right. Below this is a large advertisement for Macy's: 'Do you shop at Macy's? Answer now. Get a FREE \$500 gift card!' with a 'CLICK HERE' button. A search bar with 'MySpace' and 'powered by Google' is below the ad. A secondary navigation bar contains links: Home, Browse, Search, Invite, Film, Mail, Blog, Favorites, Forum, Groups, Events, Videos, Music, Comedy, Classifieds.

The main content area starts with a greeting: 'Hello, Tom!' and 'Last login: Wed 9/12/07'. Below this is a 'Friend Status' section with a profile picture of Tom and several updates from friends like Josh, Sharon, and noti. To the right is a 'Photos' section showing a pink Nintendo DS. Below the photos is a 'Featured Profile' for 'BLACK CURTAIN: SYDNEY WHITE' and a 'MySpace Tip' about zaps. A 'Bulletin Space' table lists recent messages from friends like Micah, Loreal, and Julie. At the bottom, there is a 'Friend Space' section with a search bar and a list of friends including AT&T, American Band, Find Madeline, and Mickey Avalon.



# Direct Evidence Will Confirm: No Monopoly

## Direct Evidence

- No power to raise prices above competitive level
- No power to restrict output
- No power to degrade quality

**NO MONOPOLY**

# Roadmap

1

Direct Evidence: Meta Is Not a Monopolist

2

“Indirect” Evidence: Meta Is Not a Monopolist

3

Meta’s Acquisitions Were *Pro-Competitive*

4

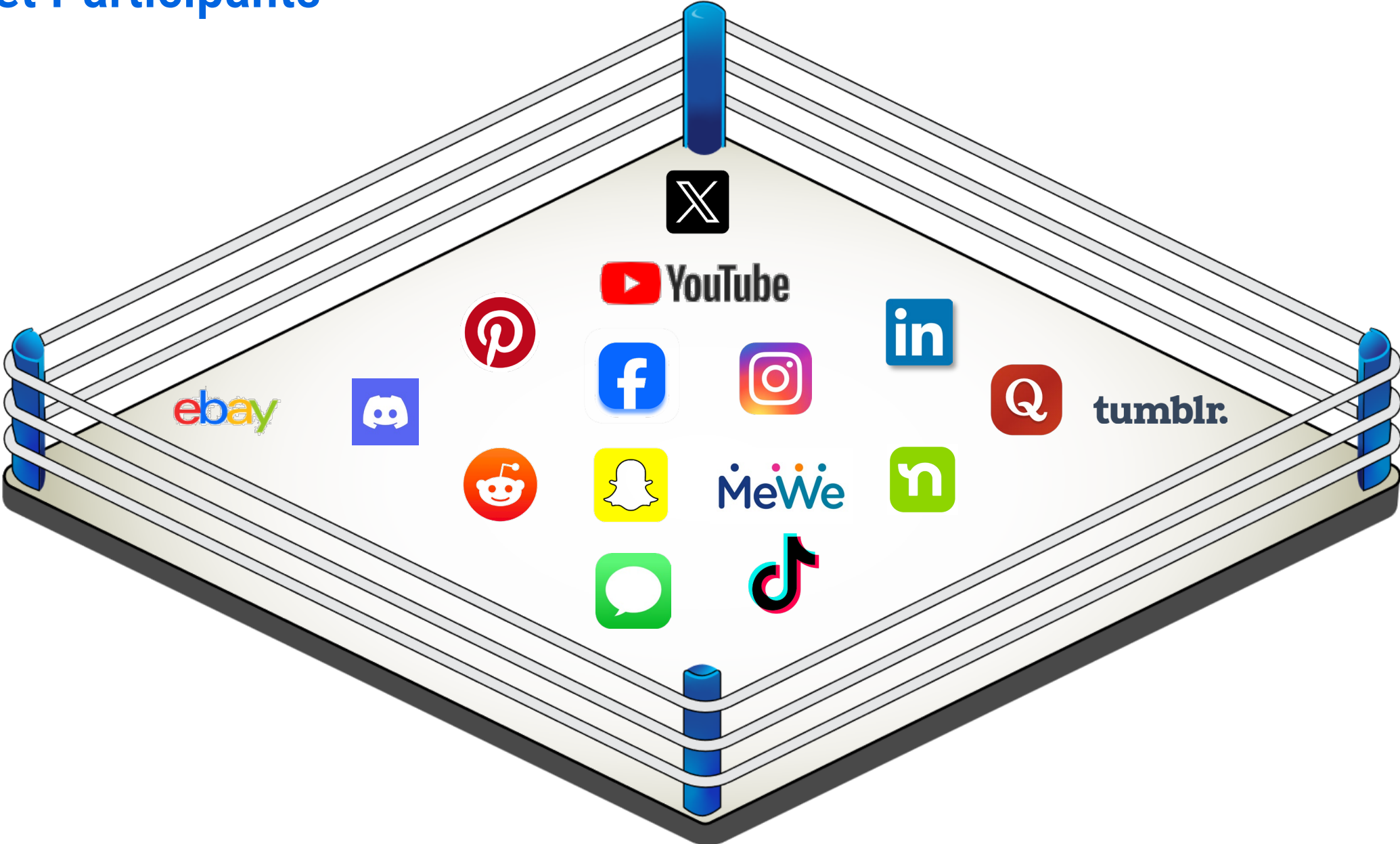
Meta’s Acquisitions Produced Extraordinary Efficiencies

# Evidence of Monopoly Power

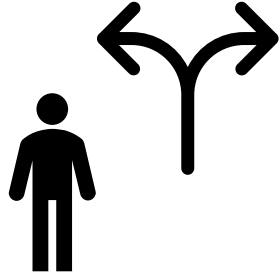
## “Indirect” Evidence

- Relevant antitrust market including all acceptable substitutes; **and**
- Persistent share no less than 60%+ of that market; **and**
- Significant barriers that prevent entry

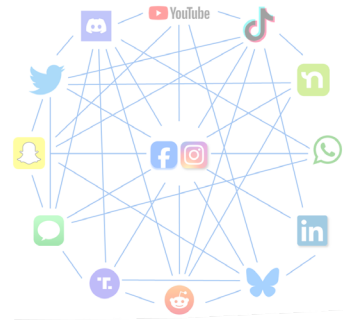
# Market Participants



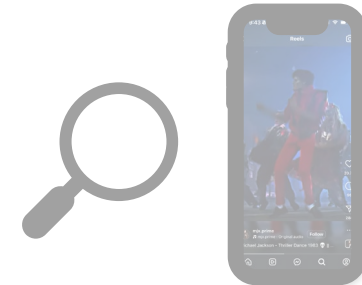
# Ranking Evidence of Competitive Constraints



## 1. Actual Consumer Substitution

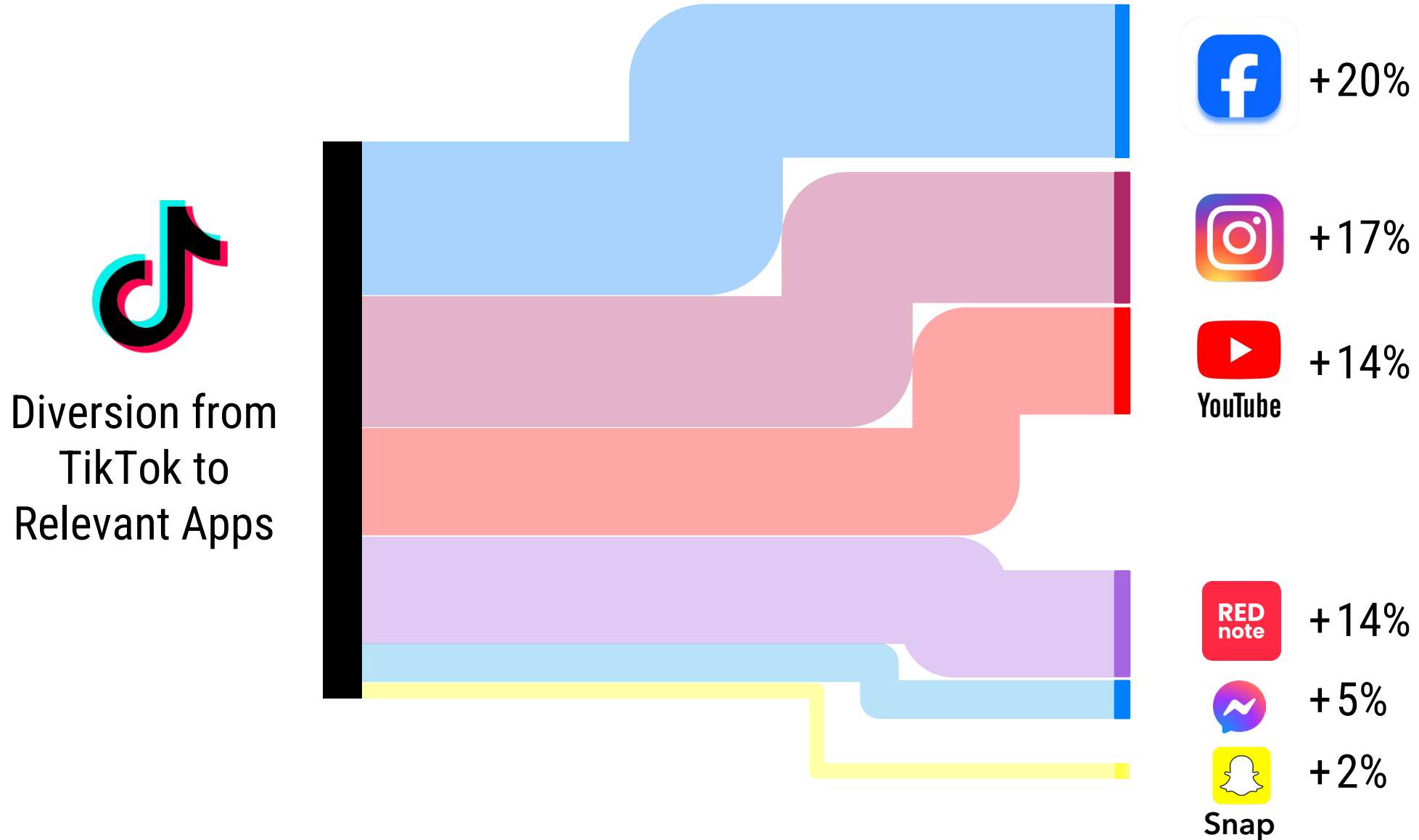


## 2. Actual Competitor Behavior

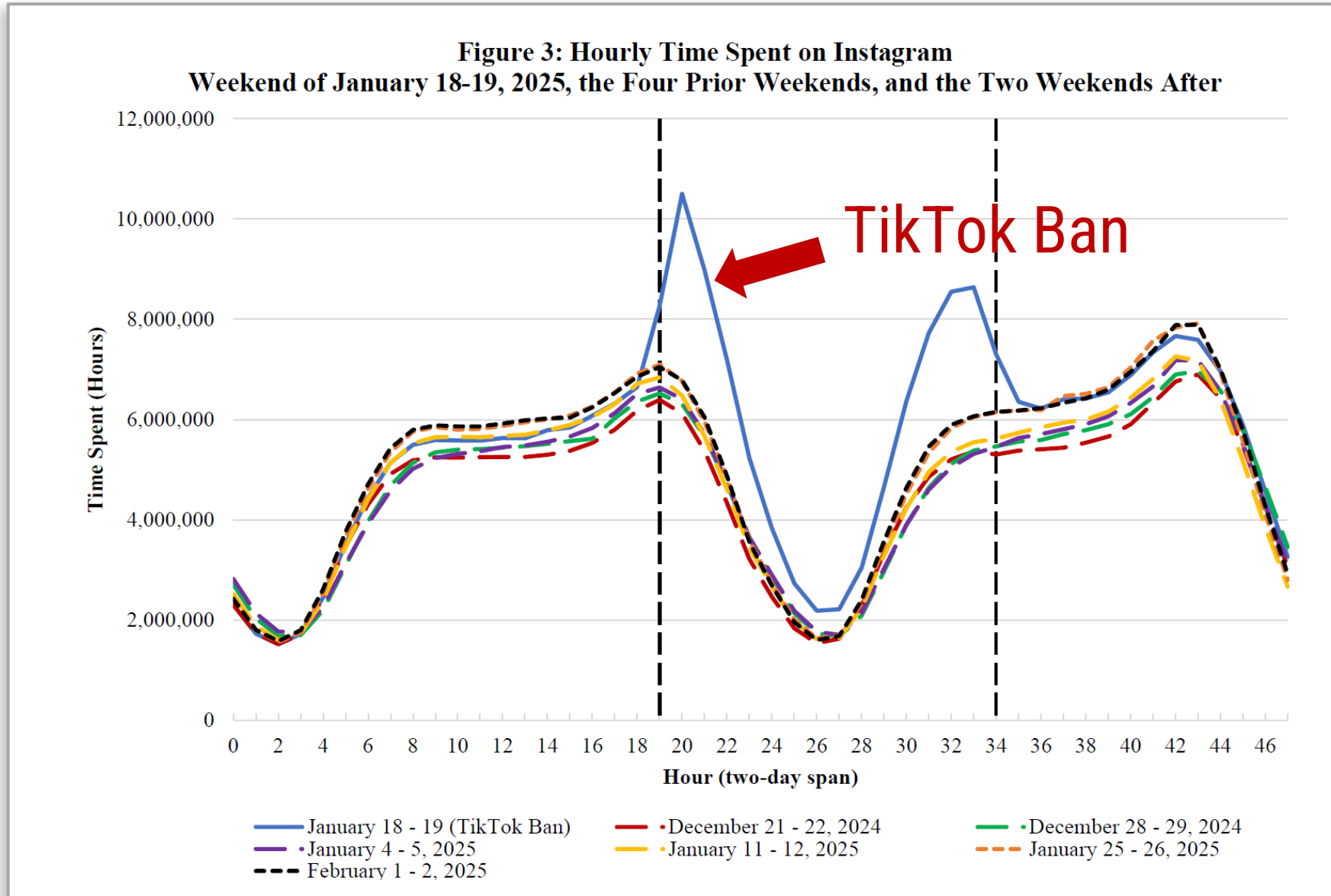


## 3. Subjective Feature Evaluation

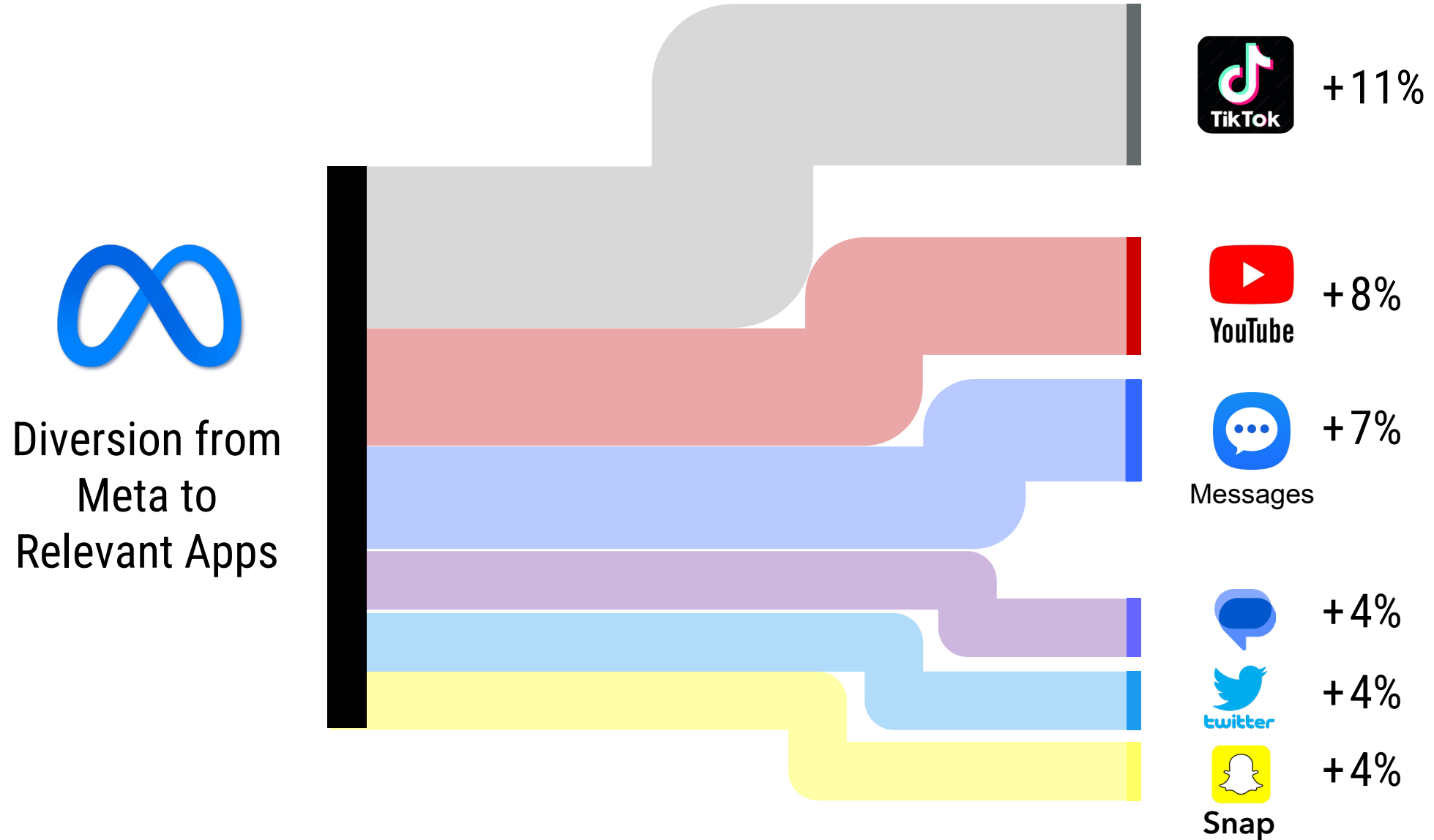
# 2025 TikTok Ban: Which Relevant Apps Got More Usage?



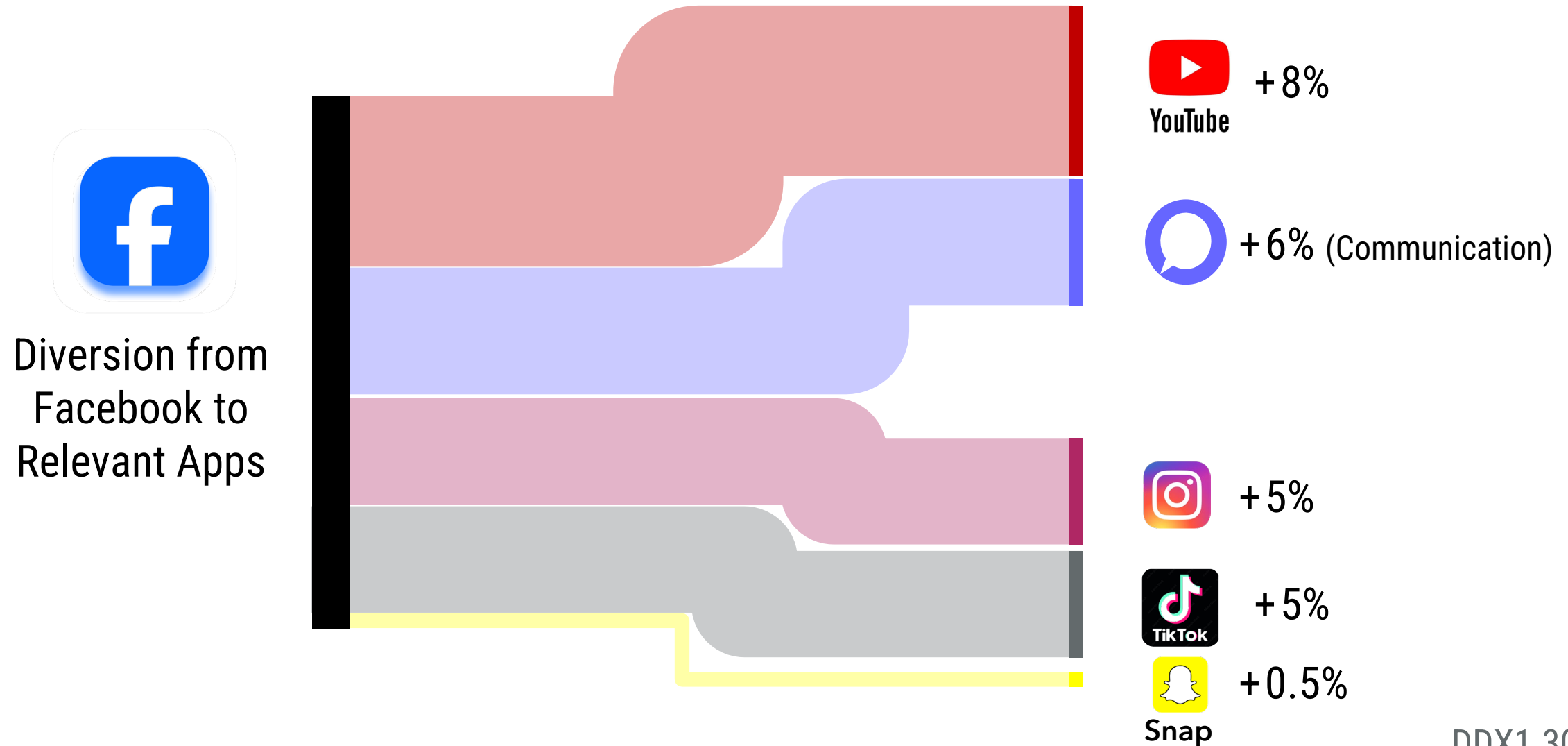
# 2025 TikTok Ban: Instagram Usage Increases Dramatically



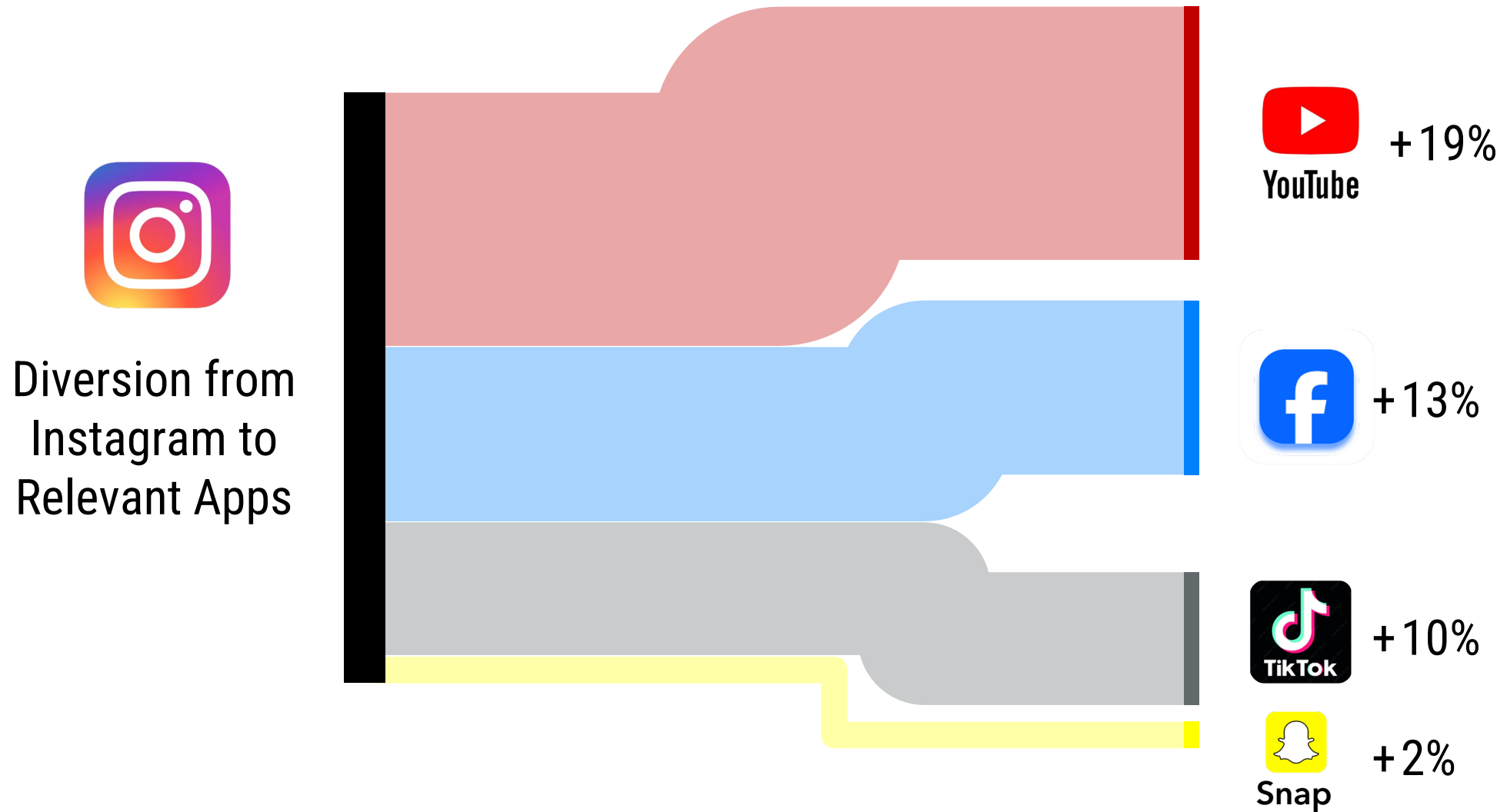
# 2021 Meta Outage: Which Relevant Apps Got More Usage?



# 2023 Professor List Field Studies: Which Relevant Apps Got More Usage?



# 2023 Professor List Field Studies: Which Relevant Apps Got More Usage?

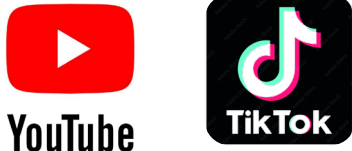


# Revealed Consumer Preferences

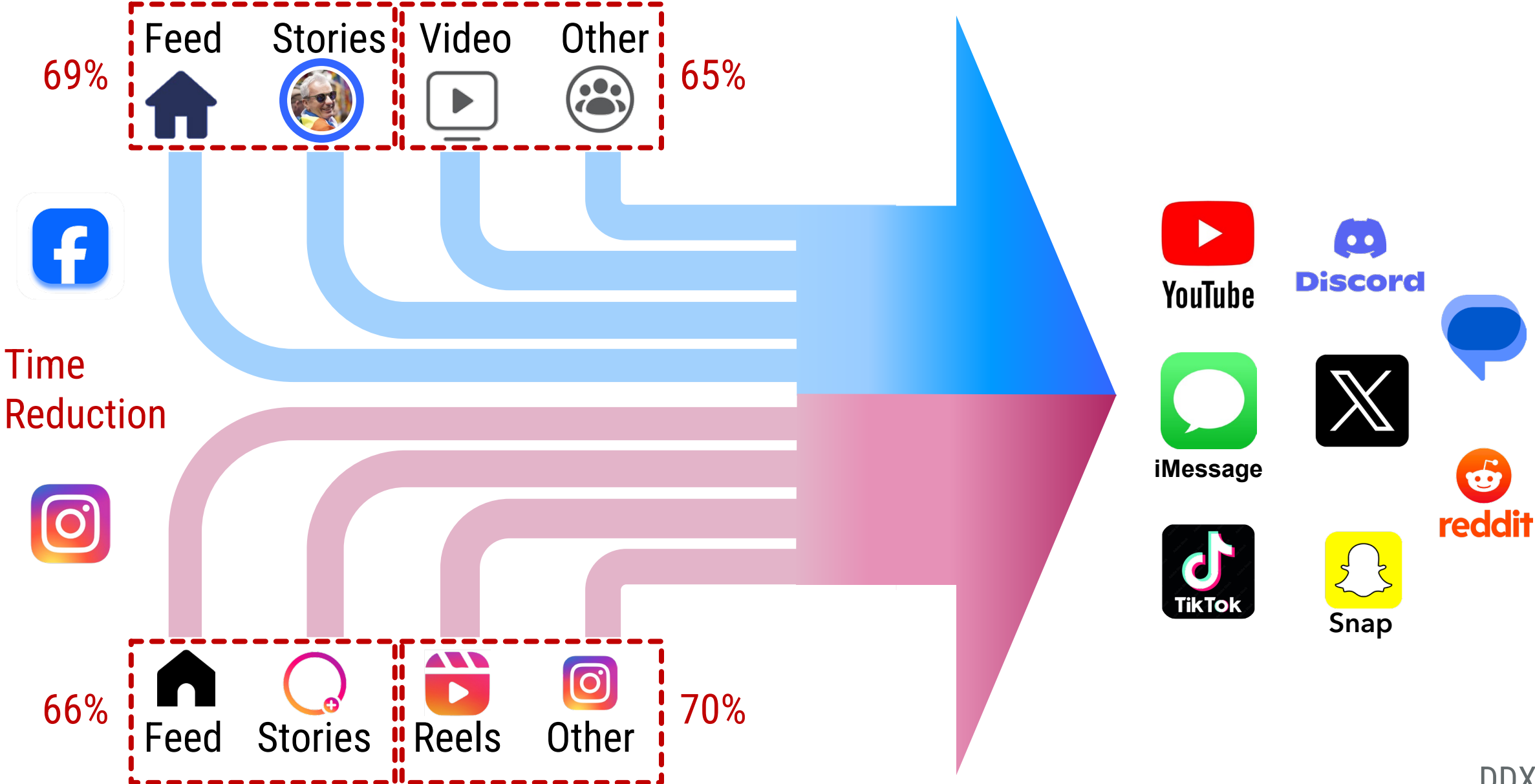
Closer  
Substitutes



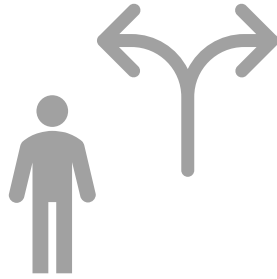
Further  
Substitutes



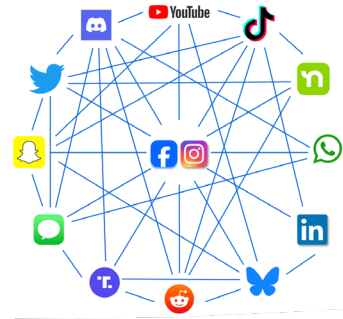
# Meta Loses Time Across Features to Its Competitors



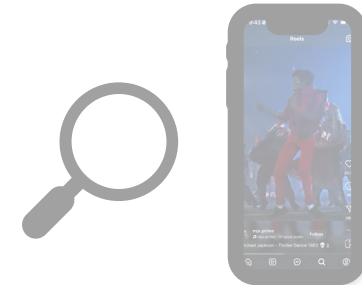
# Ranking Evidence of Competitive Constraints



**1. Actual Consumer Substitution**



**2. Actual Competitor Behavior**



**3. Subjective Feature Evaluation**

# FTC: Competition Is for All “Features/Activities” Except Dating

Scott Hemphill

FTC Expert Witness



- Q. You agree that **100% of the time spent** engaging in [watching Reels solely for entertainment purposes] is personal social networking, correct?
- A. Yeah. My opinion is that **everything that's happening on the app** is the provision of **personal social networking services** . . .

# Competition Among and Across Features

Broadcast Sharing

News

Video

Messaging

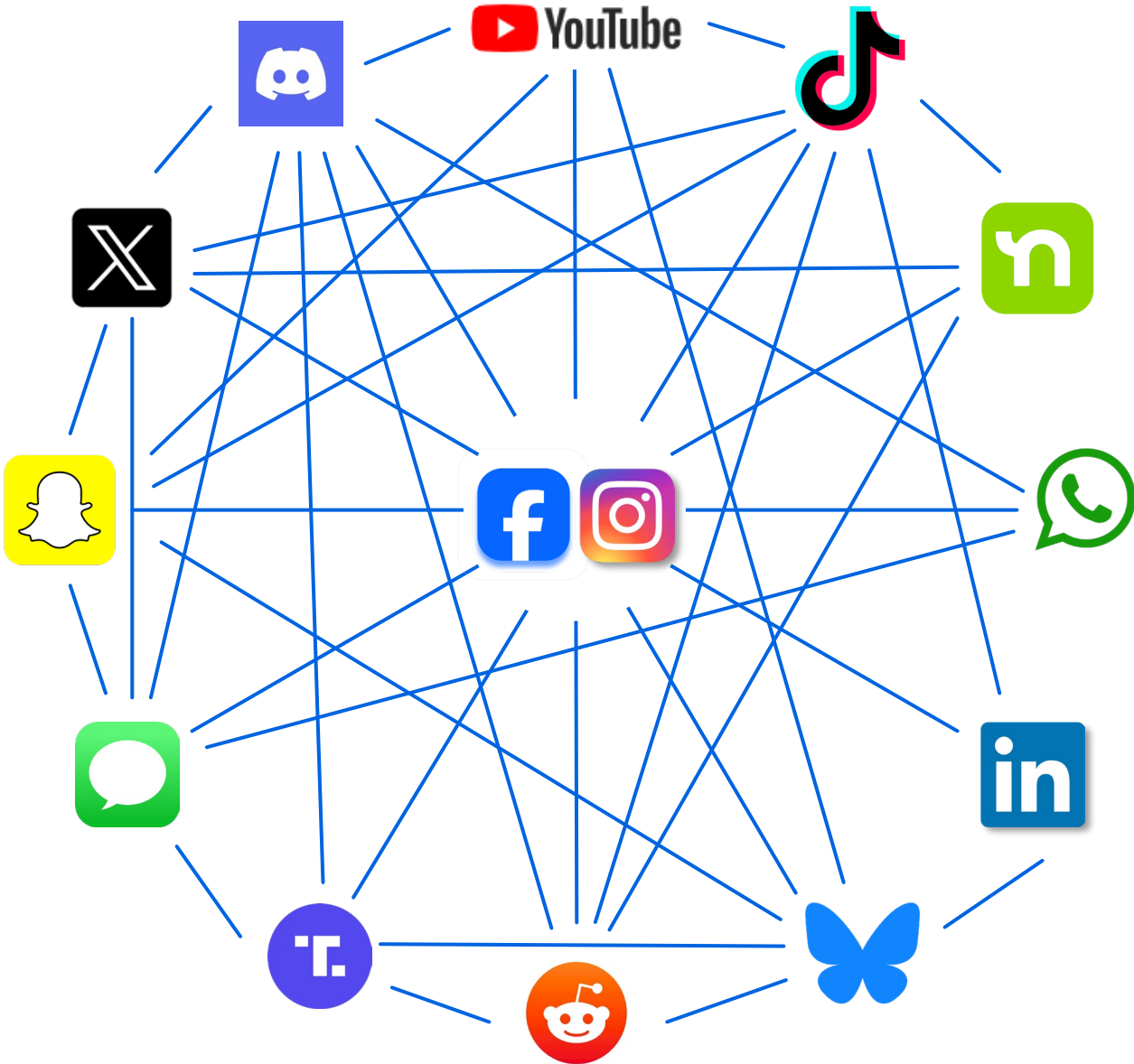
Recommended Content

Interests

Shopping

Local Content

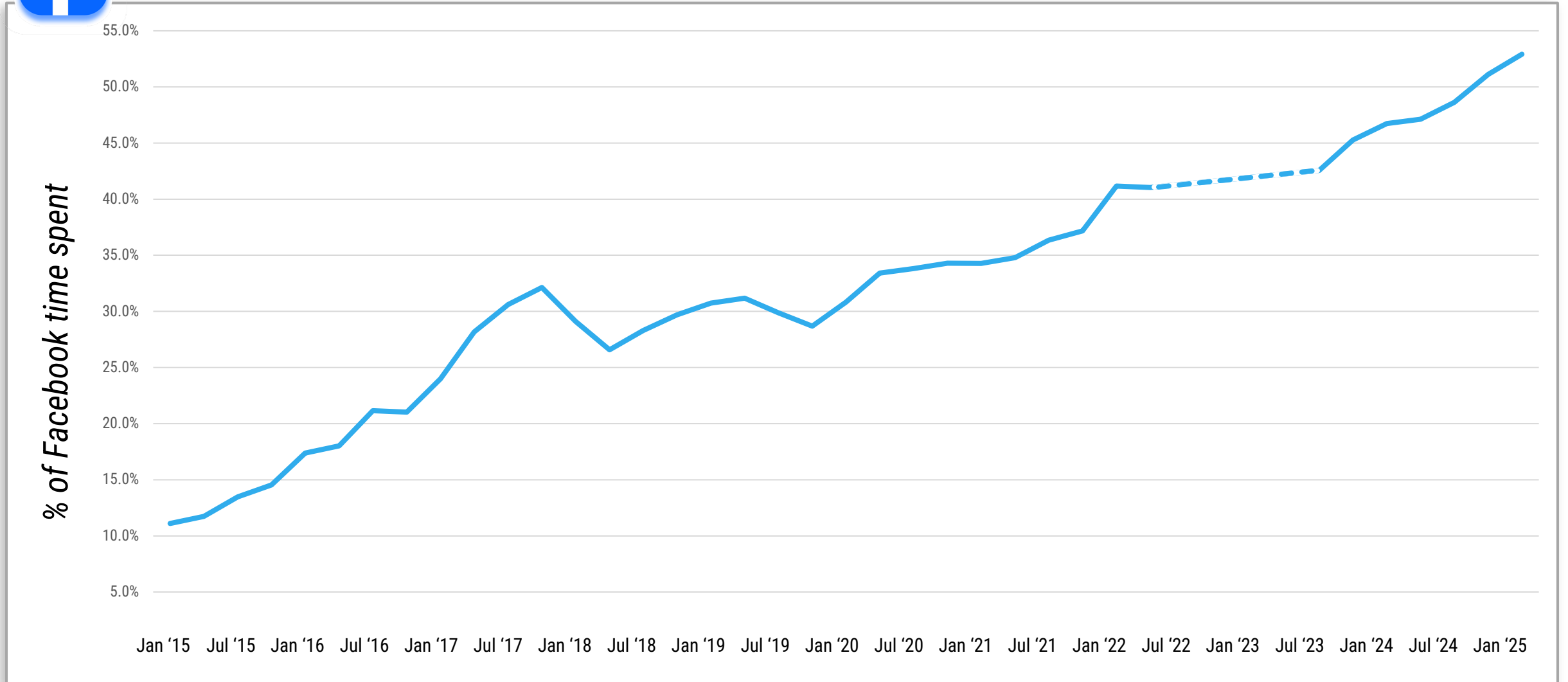
...and more



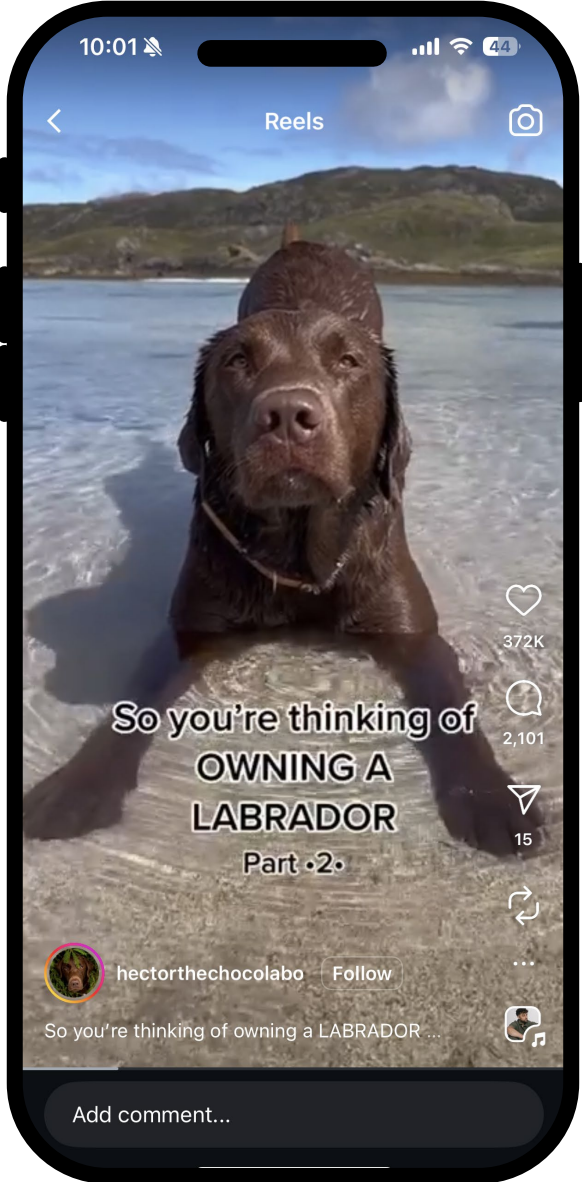
# What People Want to Do *Today*. Consume Video



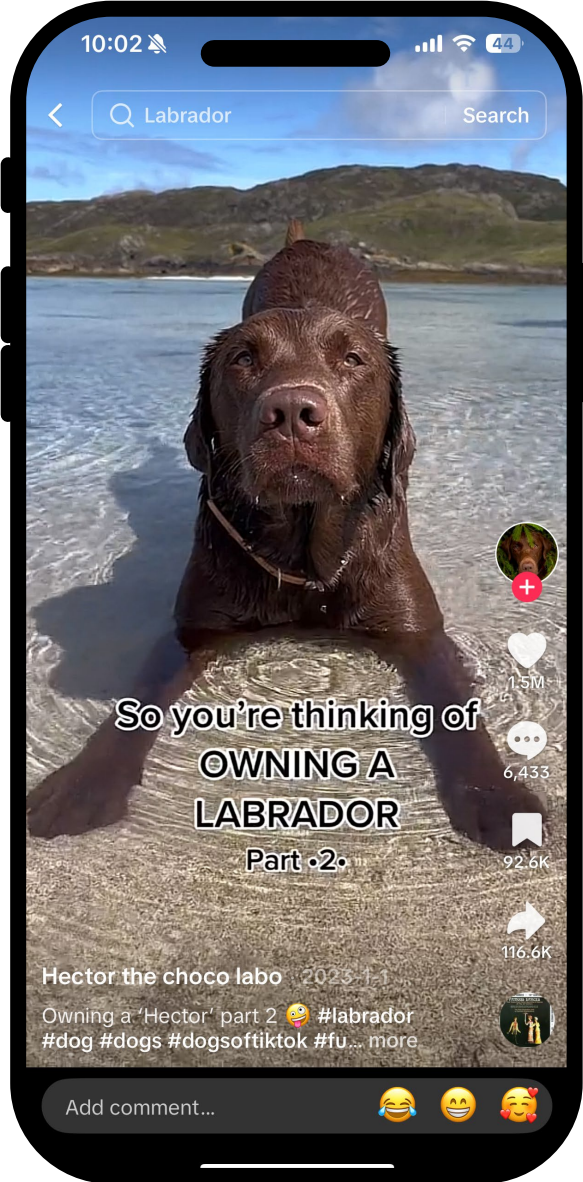
Facebook U.S. Video Time Spent (% of Total)



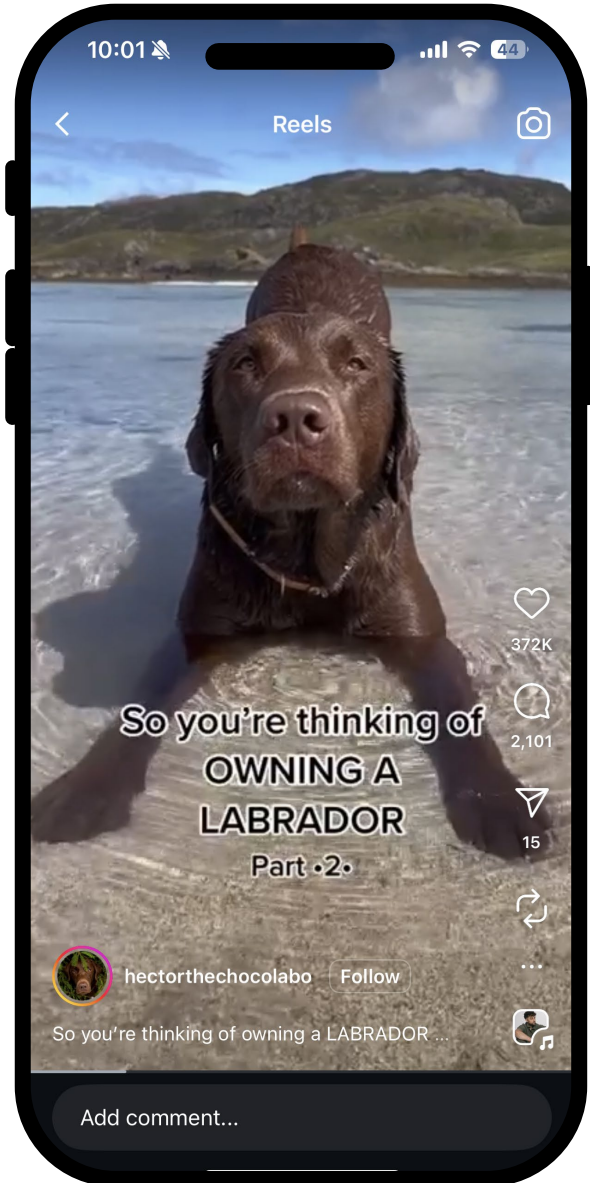
# FTC: *Video* Is “Personal Social Networking” But TikTok Doesn’t Compete?



TikTok or  
Instagram  
Reels?

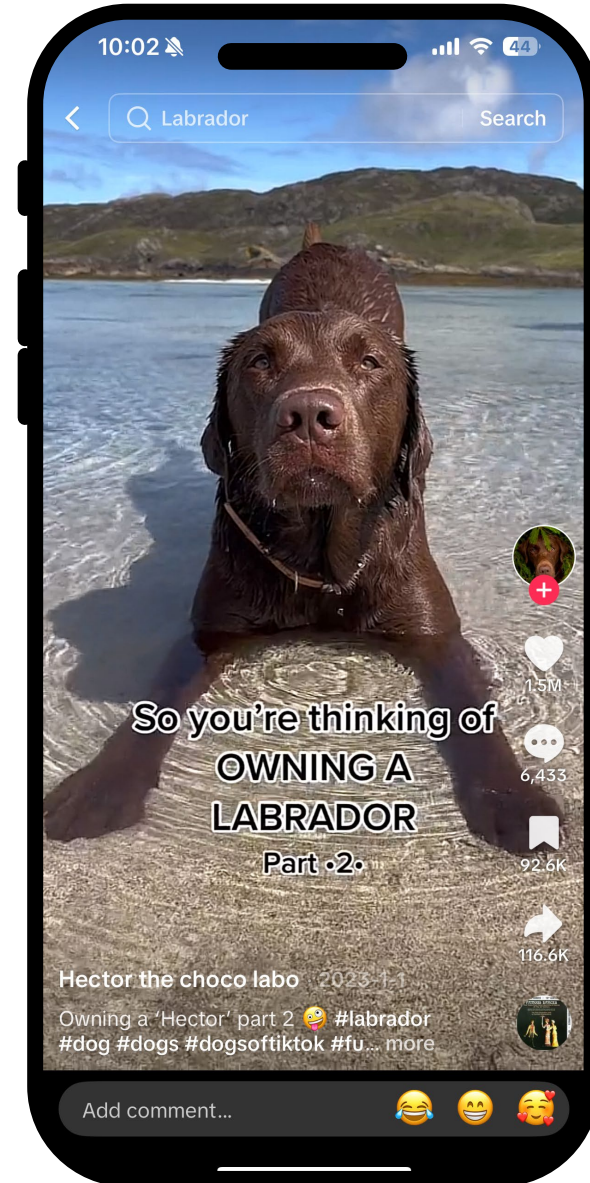
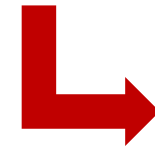


# FTC: *Video* Is “Personal Social Networking” But TikTok Doesn’t Compete?



←  
“PSNS”

Not  
“PSNS”



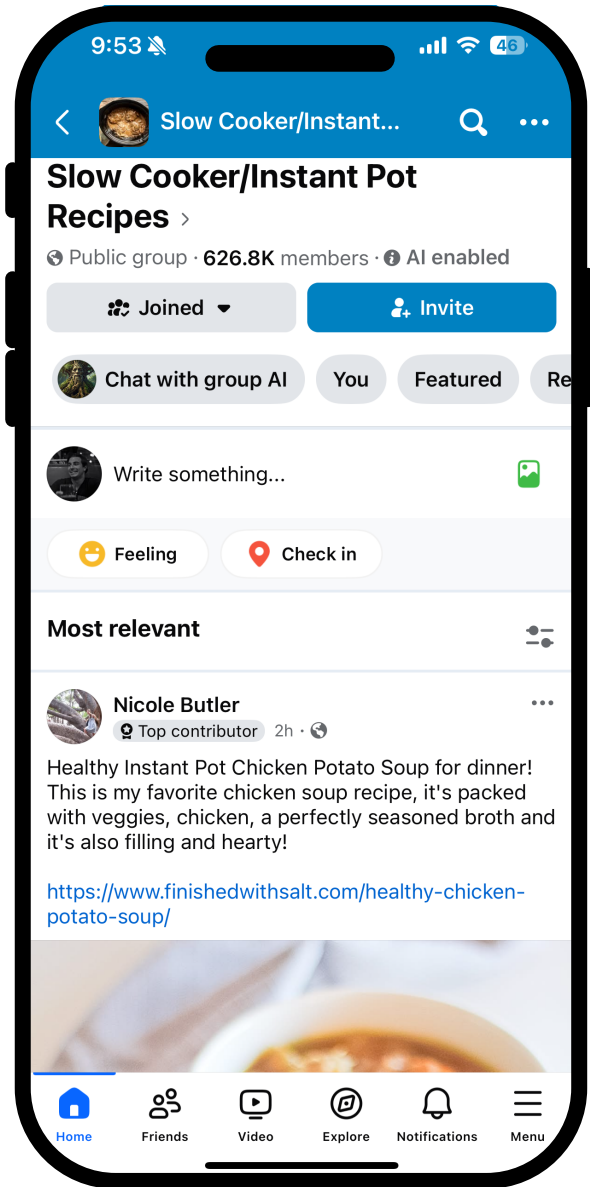
# FTC: *Messaging* Is Personal Social Networking, But Only on Meta Apps?



←  
“PSNS”  
  
Not  
“PSNS”  
→

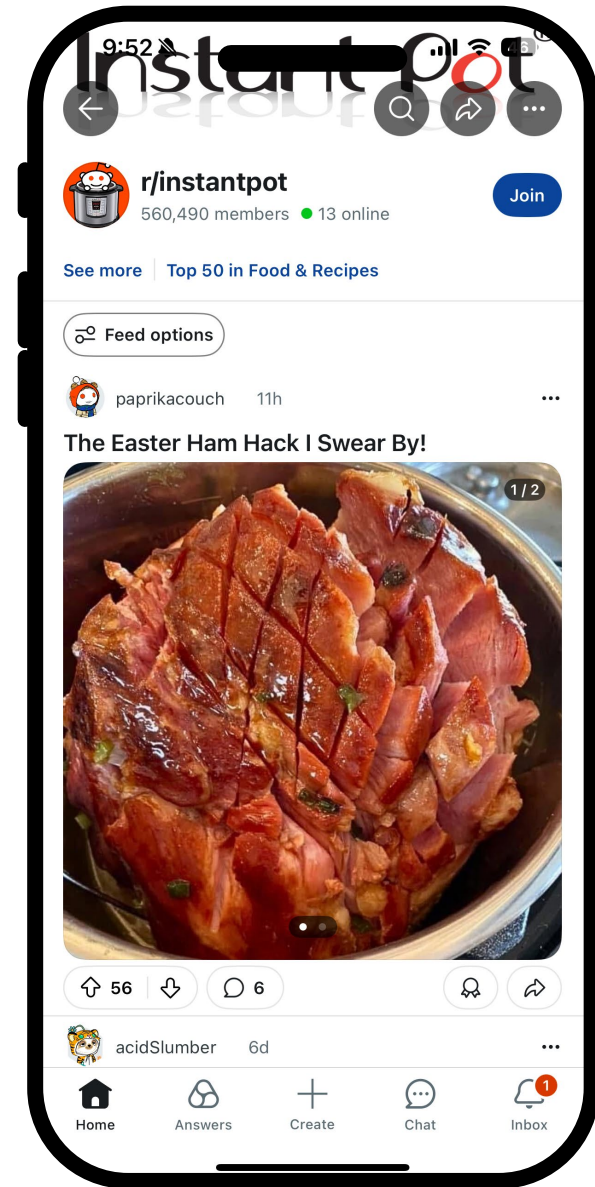
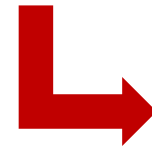


# FTC: *Recipes Are Personal Social Networking, But Only on Meta Apps?*

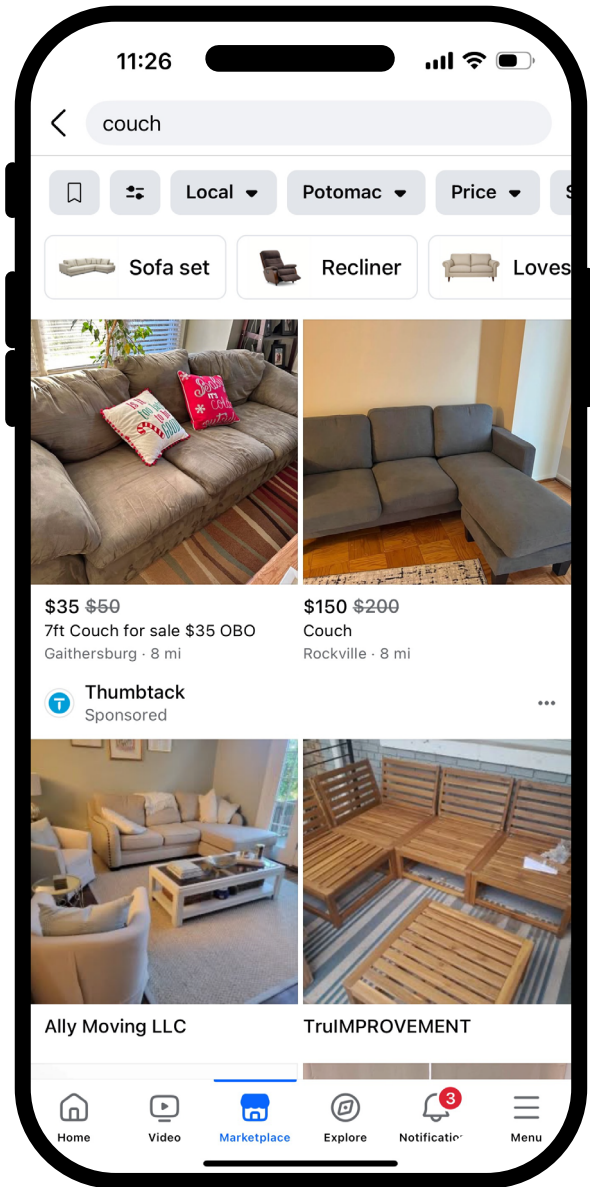


↙  
"PSNS"

Not  
"PSNS"

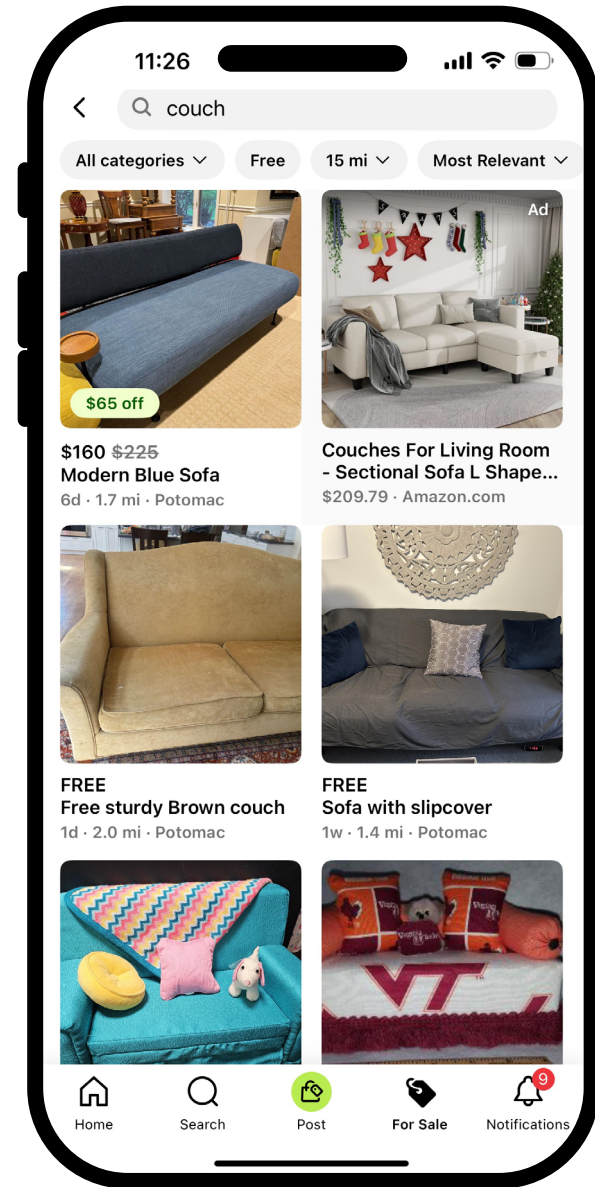
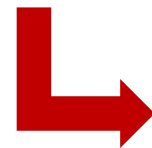


# FTC: *Shopping* Is Personal Social Networking, But Only on Meta Apps?

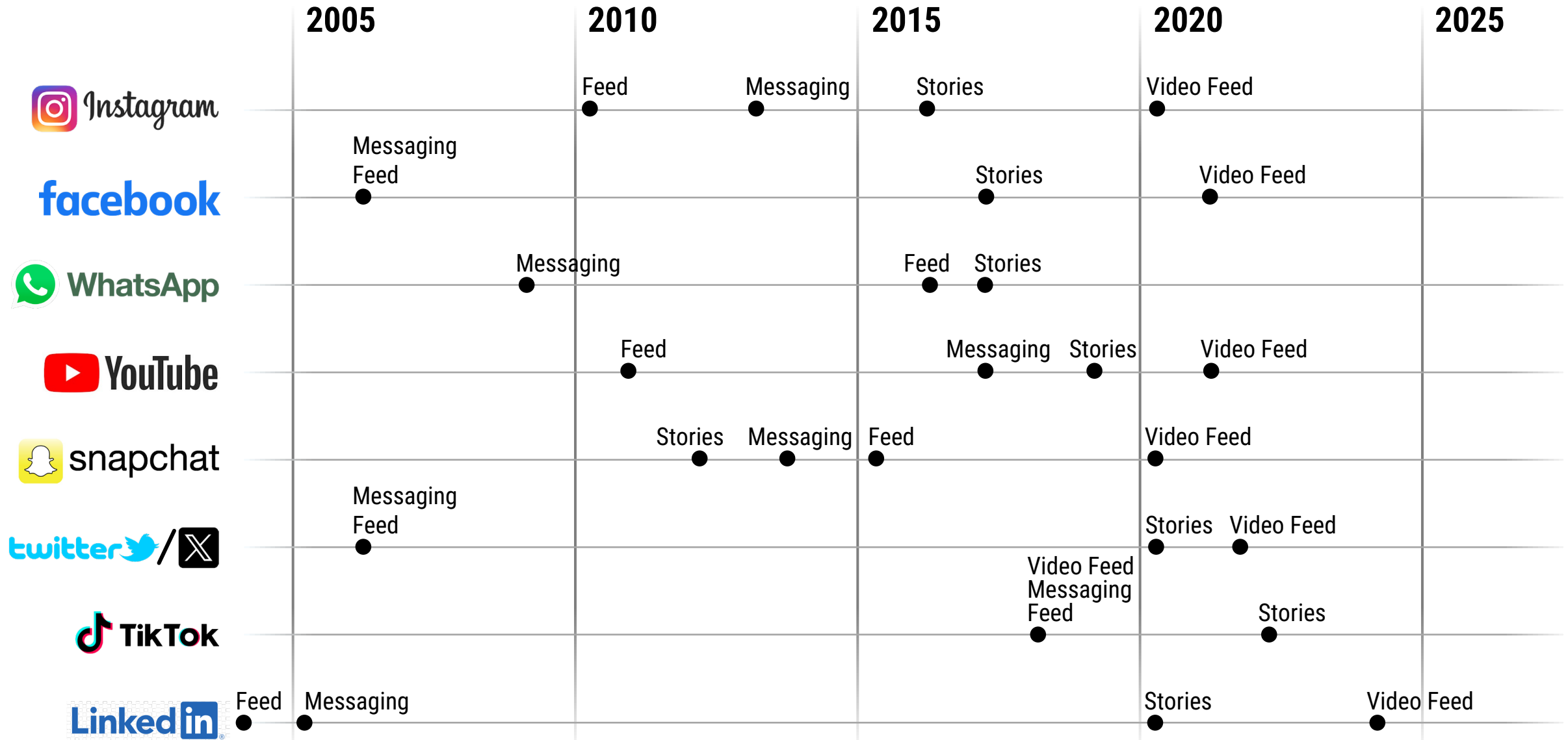


↙  
“PSNS”

Not  
“PSNS”



# Feature Convergence Across Apps



# FTC's Expert Witness Testimony

**Cliff Lampe**

*FTC Expert Witness*



**A.** “Messaging along with other apps can be used for maintaining relationships with close friends, yes. . . .”

. . .

**A.** “Occasionally [TikTok] is used for personal social networking.”

. . .

**Q.** Do you agree that some people use Twitter for personal social networking?

**A.** I agree that that’s a possible use of Twitter that people could have, yes.

# Times Change: People Have Gone to *Messaging* for Friend Sharing



**Adam Mosseri**

*Head of Instagram*



**From:** Adam Mosseri [REDACTED]@fbworkmail.com]

**Sent:** 2/23/2018 12:25:44 AM

**BCC:** Jay Parikh [REDACTED]@fb.mail.onmicrosoft.com]

**Subject:** [Core App FYI] # Meaningful Social Interactions

\* \* \*

- Most personal sharing will be in messaging. There are 63x as many messages sent a day as posts on Facebook, and 10x as many messages as comments. Even if you

“I think **[Instagram]’s more of a messaging app** than a broadcast-sharing app at this point.”

# The Share-Sheet: People Can Share From *Many* Apps



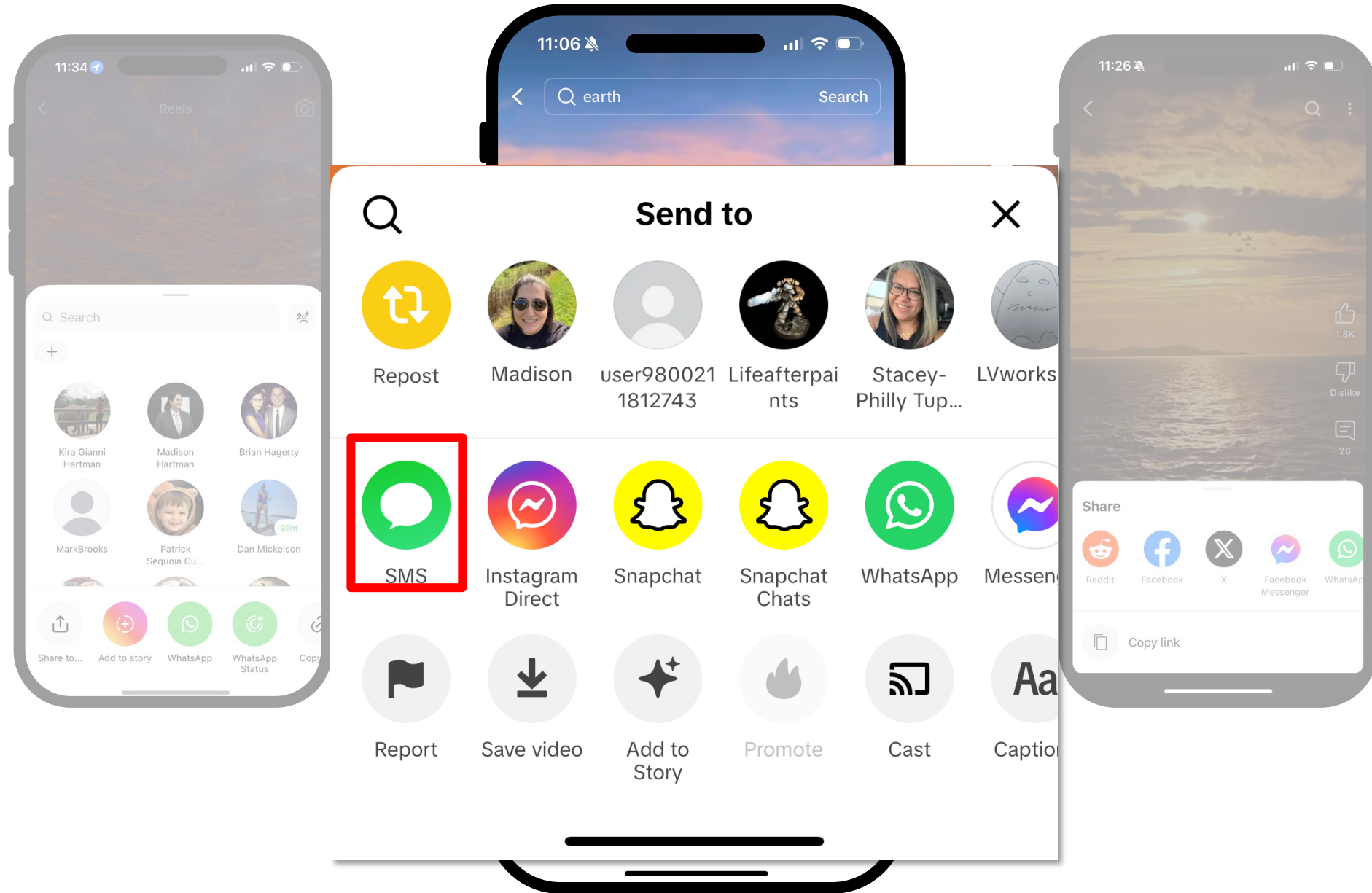
One button allows users to share content across other apps.

# The Share-Sheet: People Can Share From *Many* Apps

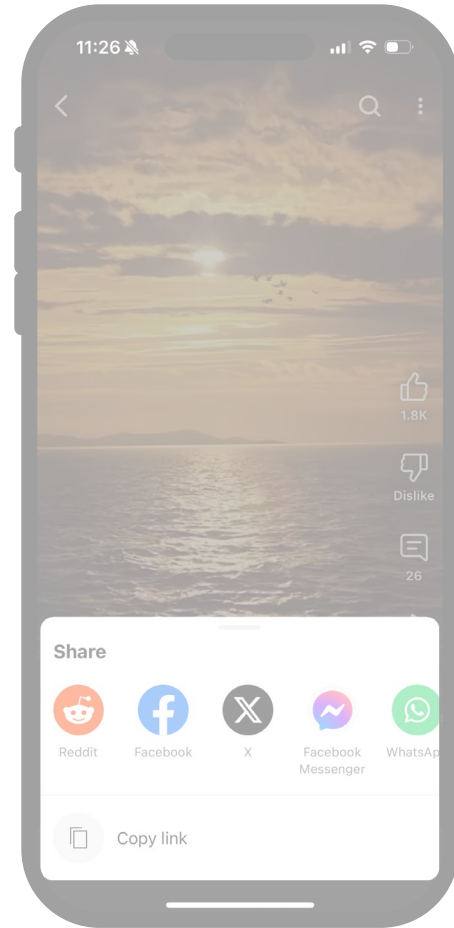
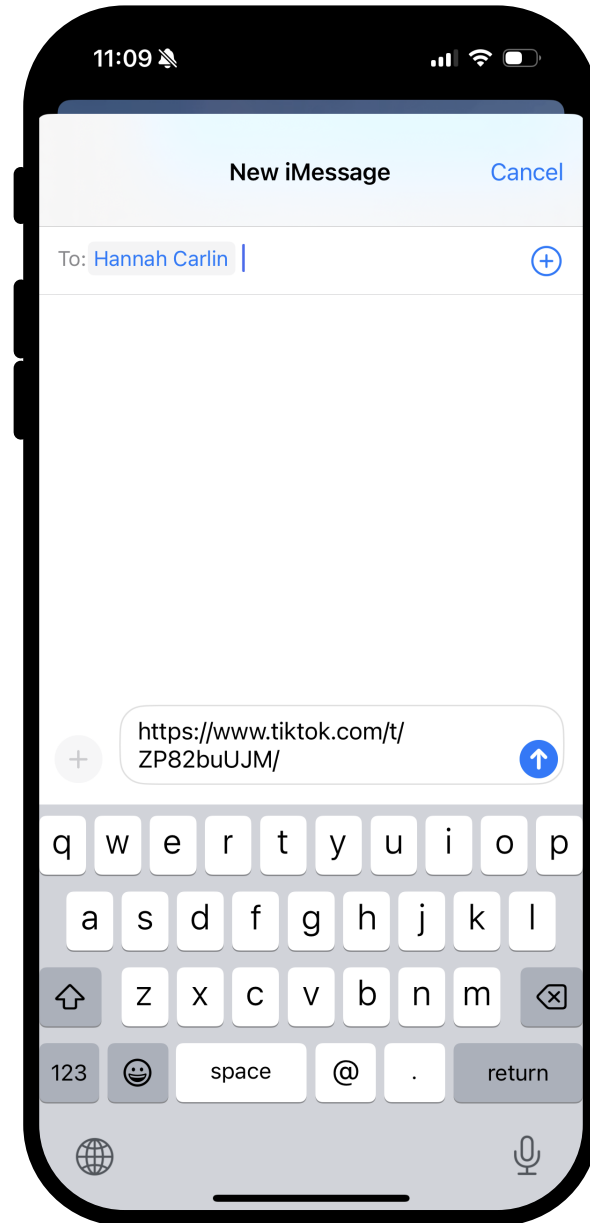
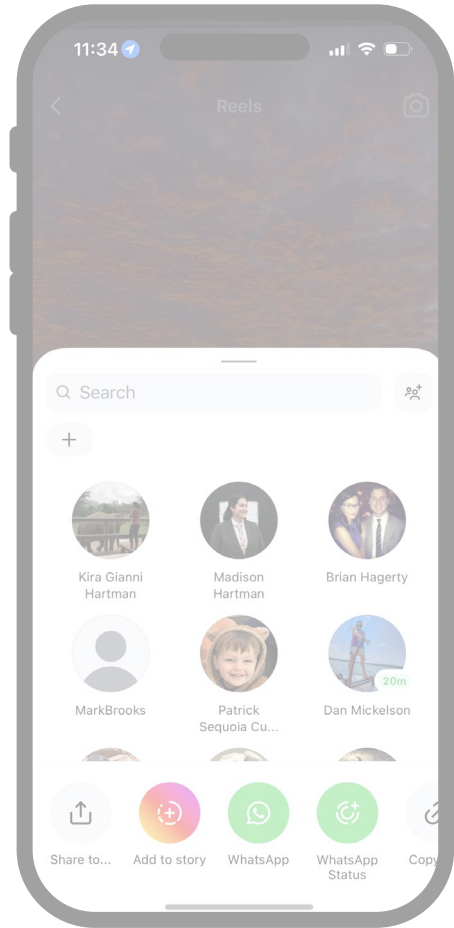


One button allows users to share content across other apps.

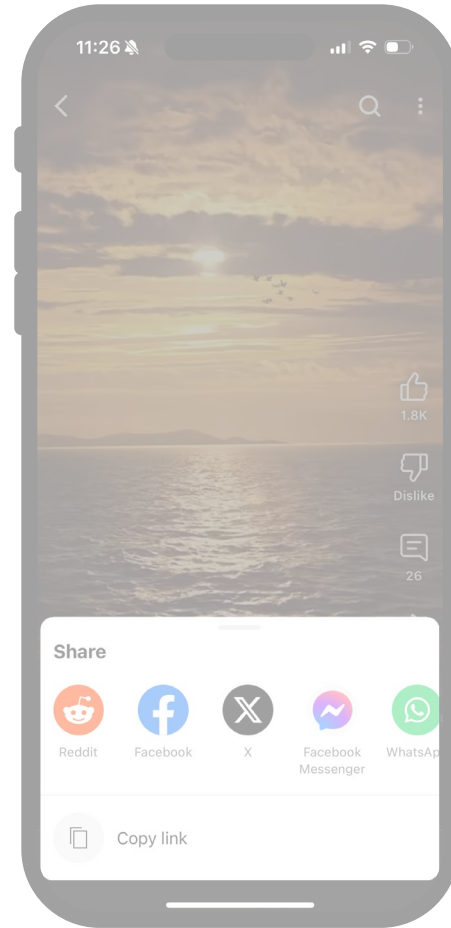
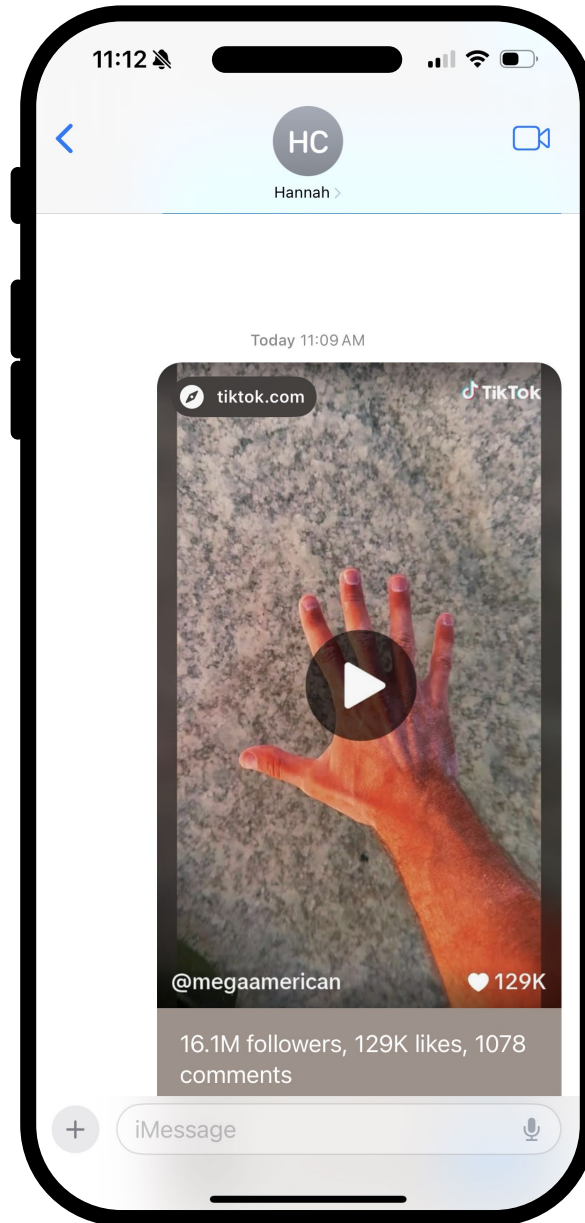
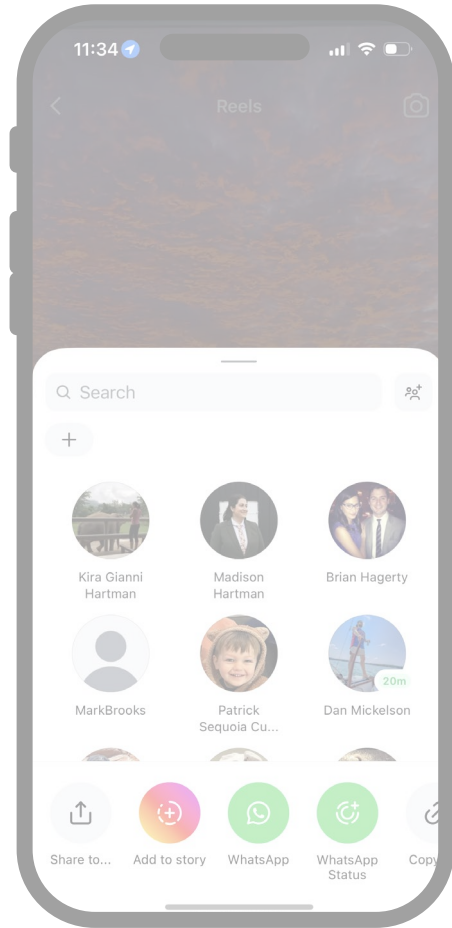
# The Share-Sheet: People Can Share From *Many* Apps



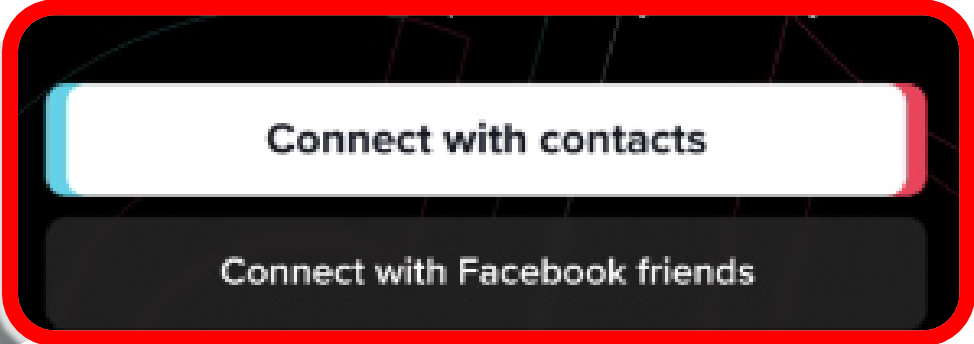
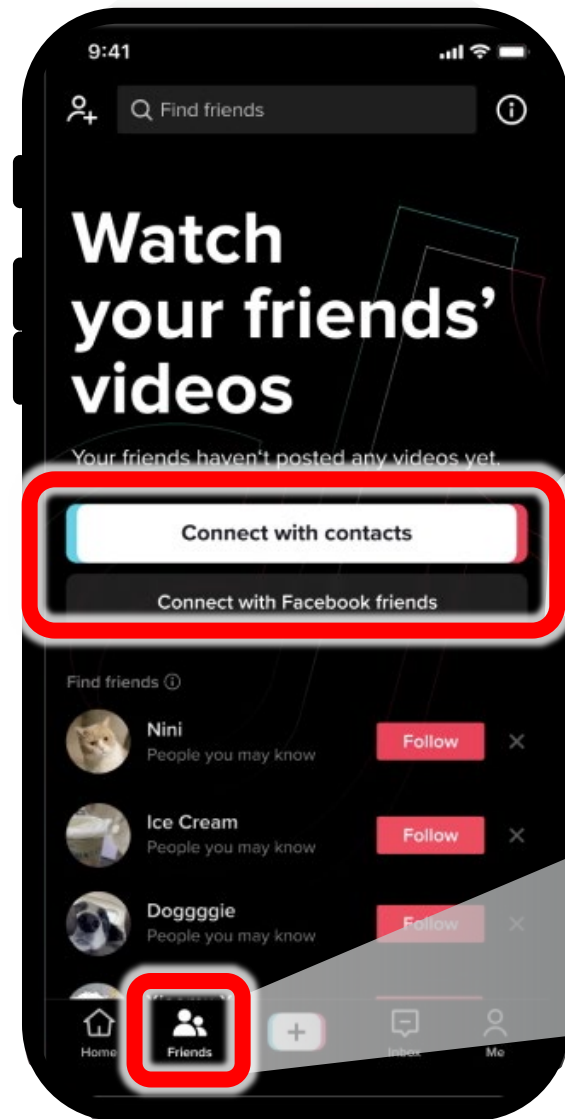
# The Share-Sheet: People Can Share From *Many* Apps



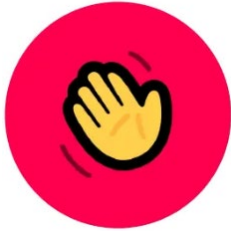
# The Share-Sheet: People Can Share From *Many* Apps



# Share With Your Friends on TikTok Via the “Friends” Tab



# Competitors Agree – They Can and Do Take Time from Meta

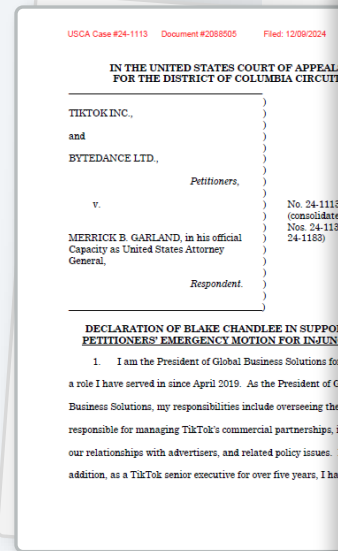


viddy



tumblr.

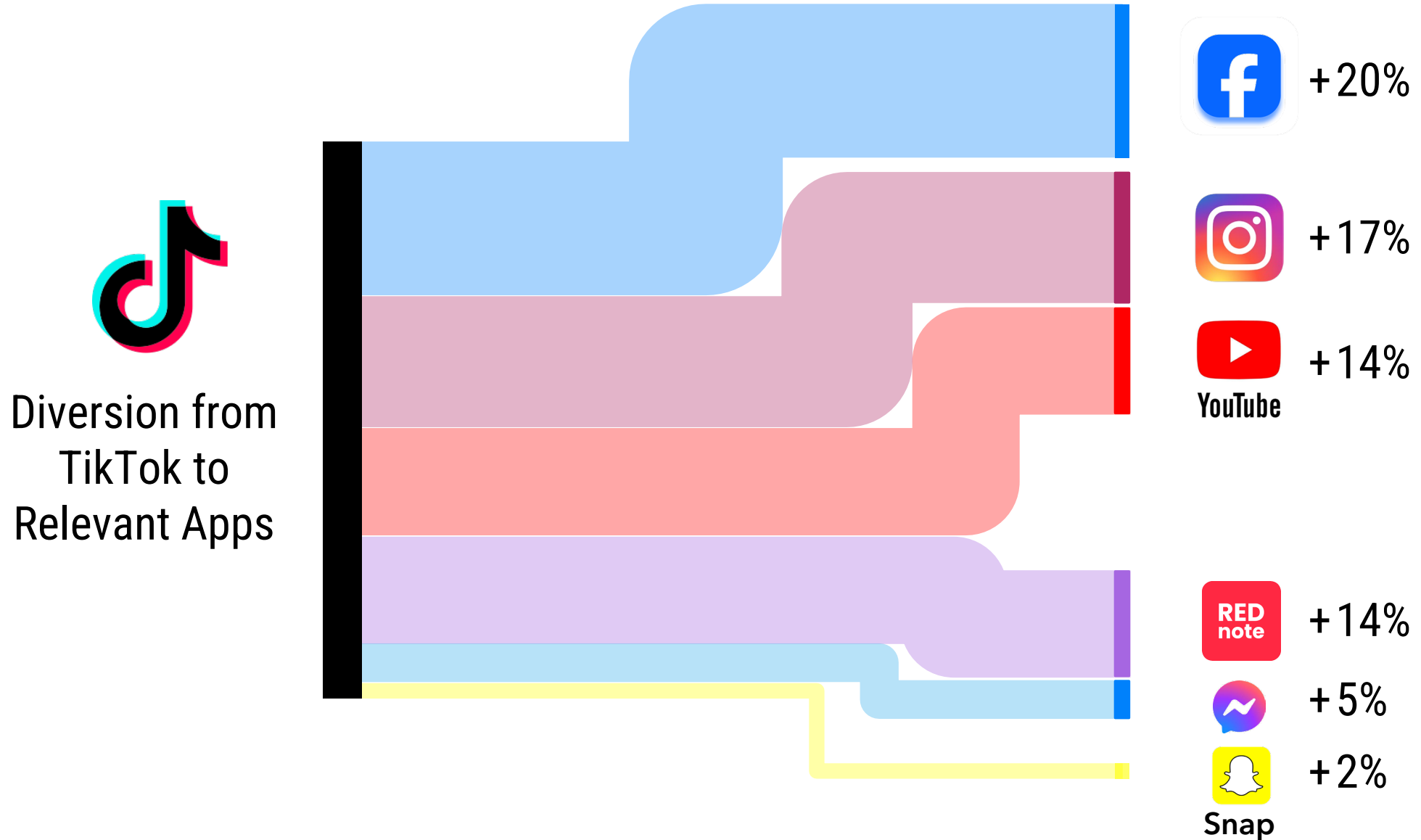
# TikTok December 2024 Declaration to the D.C. Circuit



15. Accordingly, even if the Act's prohibitions are later lifted, we would not be able to recover all the creators and users lost while TikTok was unavailable, because people who would have continued or started to use TikTok will have already turned to other competing platforms, such as Instagram, Facebook, or YouTube.



# 2025 TikTok Ban: Which Relevant Apps Got More Usage?



# TikTok: Reels, Shorts, TikTok Virtually Indistinguishable

Today, TikTok, Reels and Shorts are virtually – and deliberately – indistinguishable in function and user experience (see **figure 1**).

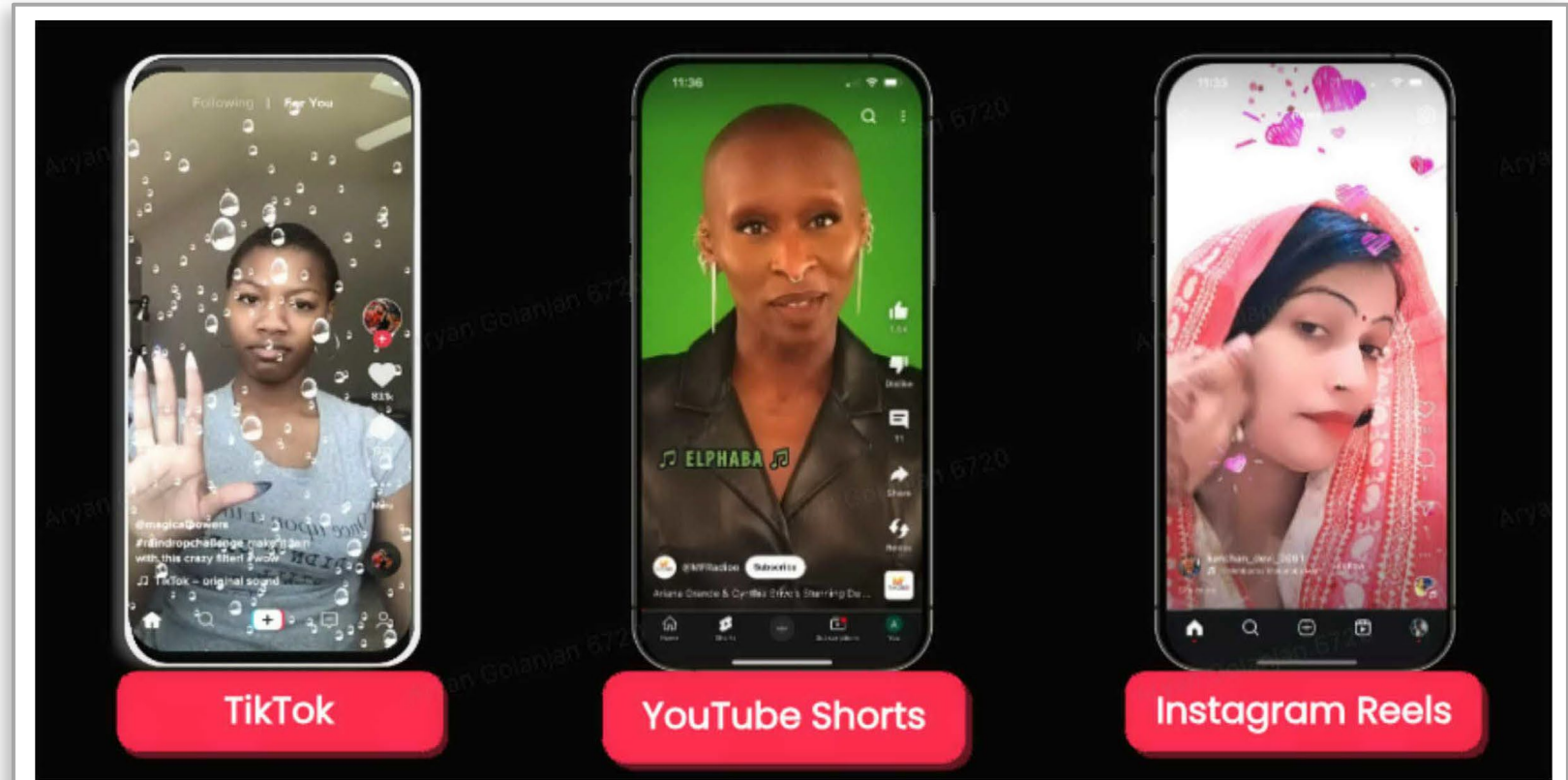
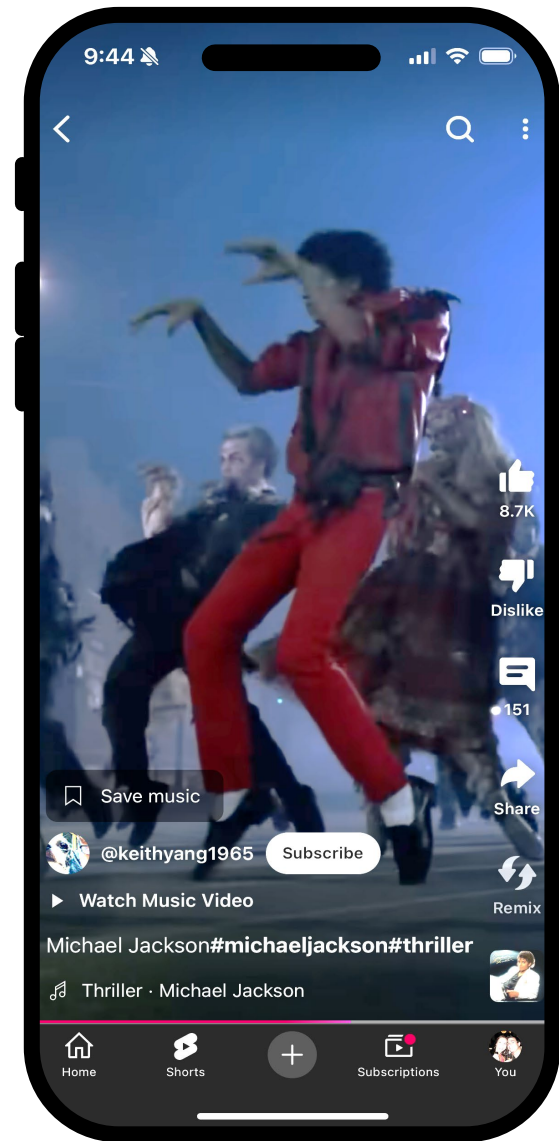
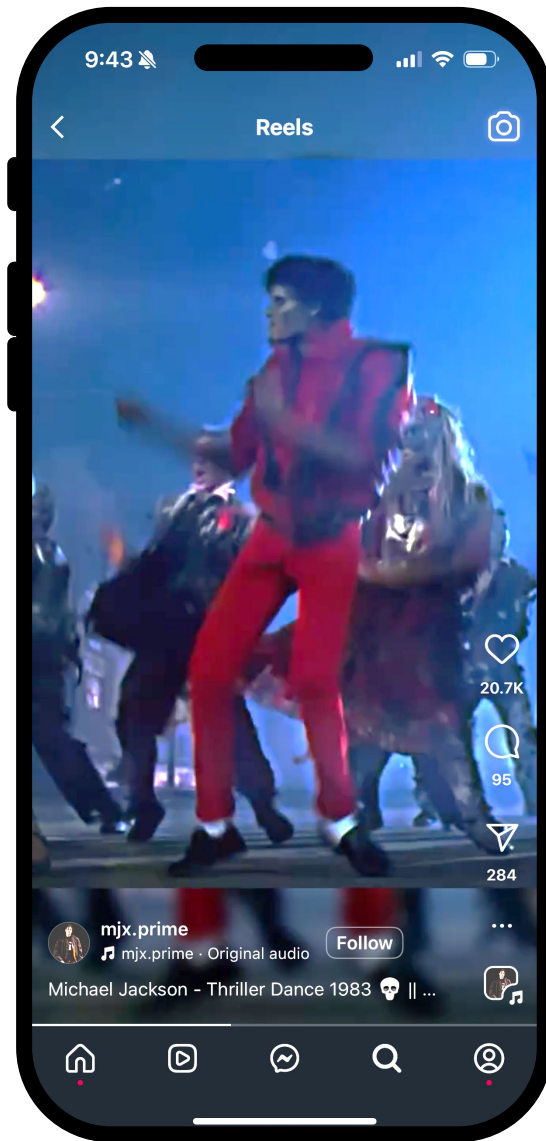
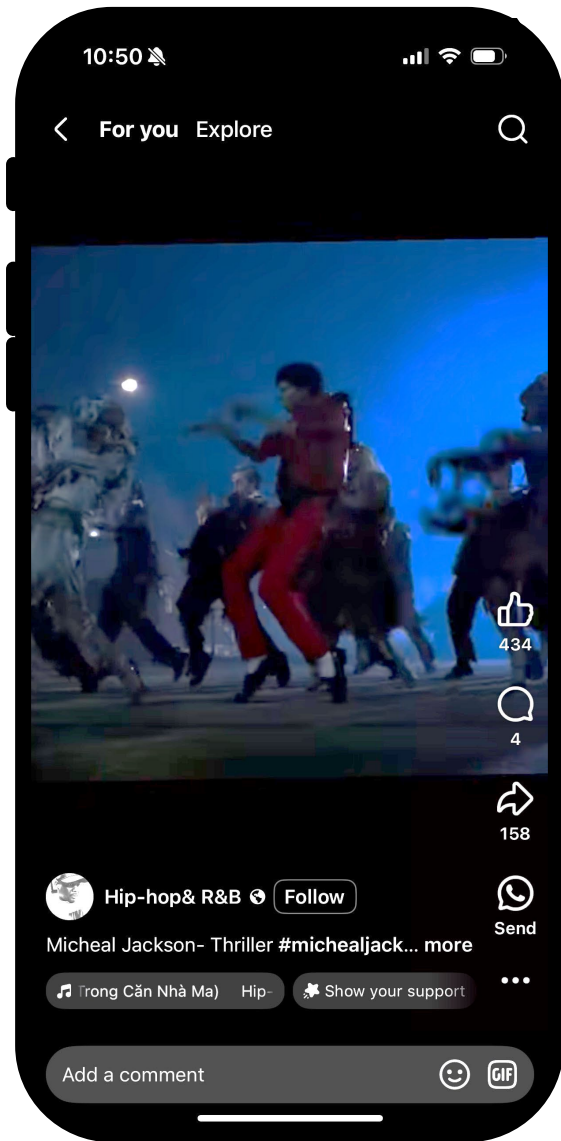
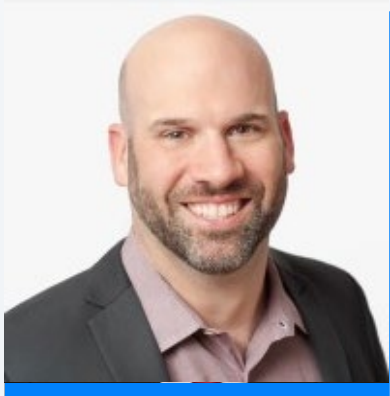


Figure 1. Platform similarities

# YouTube, Facebook, or Instagram?



# YouTube: We Compete with Facebook



**Aaron Filner**

*YouTube, Senior Director of  
Product Management*



- Q.** [W]ith regard to YouTube, “Facebook has a similar sharing video sharing service called Facebook Video. Facebook Video has similar features to YouTube (a variety of its videos . . . , the ability to upload long videos and comment/like videos), users who want to watch or share videos use them as substitutes. **Facebook is competing with YouTube for users.**” Do you agree with that statement?
- A. Yes.**



# YouTube: “Direct Competition” with Facebook and Instagram



**Thomas Kim**

*YouTube, Director of  
Product Management*

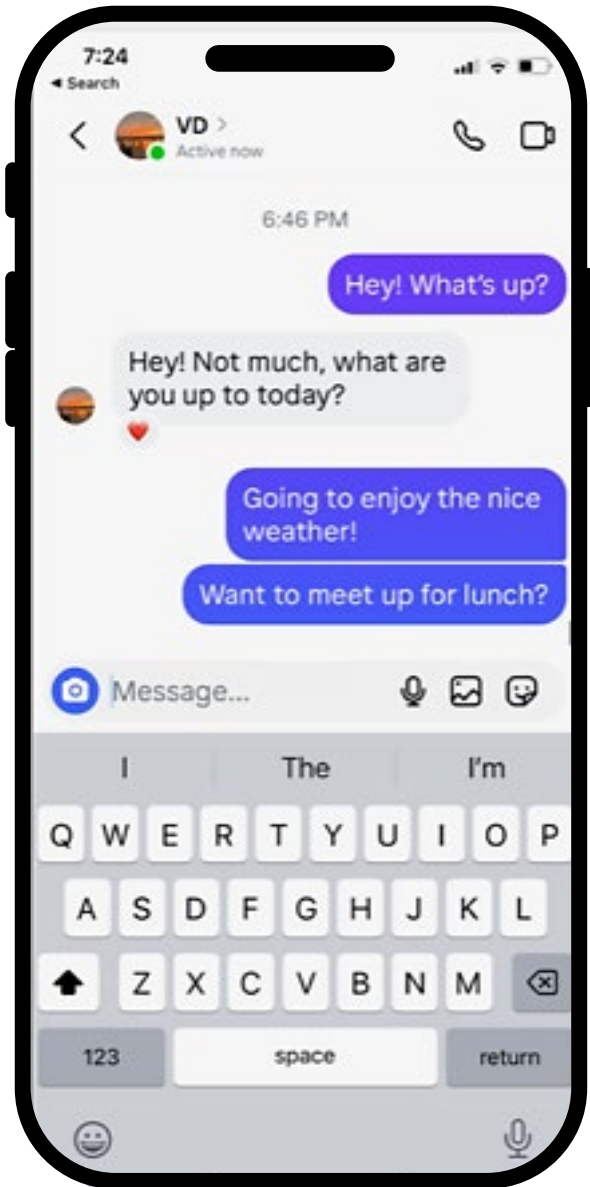


Facebook Watch (now called Facebook Video) “very much” competes with YouTube for user time and attention.

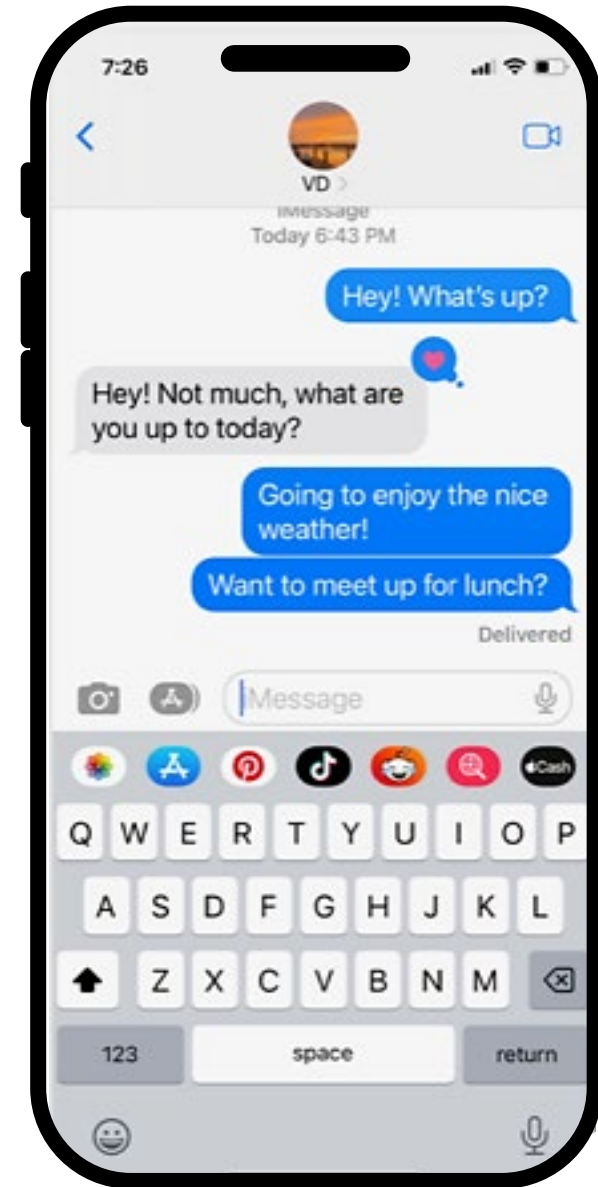
“Instagram and YouTube are competing in the short-form video space.”



# FTC: iMessage *Doesn't* Compete with Instagram?



Instagram  
Direct  
or  
iMessage?



# Apple Competes in “Core Use Case”

REDACTED

REDACTED

REDACTED

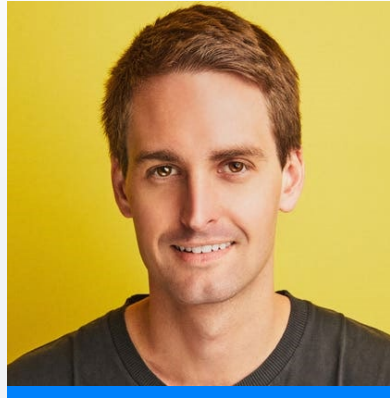


**Ronak Shah**

*Apple, Director of Product Marketing*

A “core use case” of iMessage is “to allow users to communicate with the people that are in their life that they know.”

# Snapchat Competitors: Facebook, Twitter, YouTube, and TikTok



**Evan Spiegel**

*Snap, CEO*

So while we are used to competing with really big companies – Facebook, Twitter, and YouTube were huge and household names when Bobby and I launched Snapchat – TikTok presents a unique type of competitive challenge for non-Chinese companies.



- Besides their product, which is definitely compelling, ByteDance is a really tough competitor because they have access to the Chinese markets, whereas most US technology companies do not.
- They leveraged access to the Chinese market into massive revenue, and then reinvested that to directly compete with us and with other technology companies.
- So while we are used to competing with really big companies – Facebook, Twitter, and YouTube were huge and household names when Bobby and I launched Snapchat – TikTok presents a unique type of competitive challenge for non-Chinese companies.

#### Long-term Value Argument:

- Nobody can know what the long-term holds for TikTok – due in part to ongoing national security concerns.
- But I think it's fair to say that if – for whatever reason – young people in the US and potentially elsewhere were to lose access to TikTok it might be frustrating to them, but pretty quickly they would find a more than credible substitute be it Spotlight, Reels, YouTube or some combination of those or others. There is nothing fundamentally unique about those products.
- What makes us so confident in Snapchat's long-term success is that those same young people's experience on Snapchat is different – their experience on our platform is differentiated from what they can access anywhere else – it's where they can be their authentic selves, connecting with their real friends through the power of our digital, AR-enhanced camera.
- No other platform is built to offer that same experience and we believe that when your value proposition is truly unique, and when the company is trusted and beloved by its community – that's how long-term value creation happens.

#### Propaganda Argument:

- Second, I'm not the first to say this, but from a historical perspective what is happening here is unprecedented.
- TikTok is having an impact on our culture – metaphorically, they have basically bought hundreds of American and European TV stations that reach millions of young people.
- But the content of that programming obfuscated vs. a TV station – so we don't know if and when they are putting their thumb on the scale for a certain perspective.

- Snapchat was built to replicate real world conversations and natural human behaviours – and encourages users to interact with their real friends, not strangers.
- Snapchat opens directly to the camera, and not a feed of content, which reduces social pressure.
- Taken together, these Snapchat features help protect our users' privacy and enhance their safety.

#### **ALGORITHMS**

- Algorithms work differently on Snapchat – very little of our content is algorithmically sorted.
- Unlike other platforms, we don't apply an algorithm to a feed of unvetted or unmoderated content and there is no rabbit hole of harmful content.
- Discover and Spotlight, the areas of our platform where we apply algorithms to serve content, are closed platforms where content is moderated and we choose what is let in.
- We believe that our core architecture and design decisions limit the risk of algorithms that are applied to unmoderated feeds driven by engagement signals such as likes and comments.

# Snapchat in 2020: Competitors Are Succeeding and *Not* Just Meta Apps

REDACTED



# Snapchat Losing Time to TikTok

**REDACTED**



# Meta Executives Understand TikTok Is Targeting Sharing

## Message

**From:** Tom Alison [/O=THEFACEBOOK/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=AF15F52269A84D509E24949DB94661E7]  
**Sent:** 8/24/2022 3:44:07 AM

Message  
From: Tom Alison [/O=THEFACEBOOK/OU=EXTERNAL (FYDIBOHF25SPDLT)/CN=RECIPIENTS/CN=AF15F52269A84D509E24949DB94661E7]  
Sent: 8/24/2022 3:44:07 AM  
To: Claire Mawla [cmawla@fb.com]; FBAppContextLeads [fbappcontextleads@fb.com]; MRS Leads [mrsleads@fb.com]; Home Staff [homsstaff@fb.com]; Taps Kate [tapskate@fb.com]  
CC: Grace Barrett [graceb@fb.com]; Blake Sisk [blakesisk@fb.com]; David Kille [davidkille@fb.com]; Christina Brown [cbrown@fb.com]; Monica [monica@fb.com]; Mustafa [mustafa@fb.com]; Fred Pittor [fredpittor@fb.com]; Karen Singh [karensingh@fb.com]; Yao Wu [yaowu@fb.com]; Hai Zhang [haizhang@fb.com]; Bruce Ding [bruceding@fb.com]; Brad Heston [bradheston@fb.com]  
Subject: Re: FY: UIR POV on achieving a user-centric transition to the Discovery Engine recommendation  
Attachments: Screenshots\_20220828\_171650.png

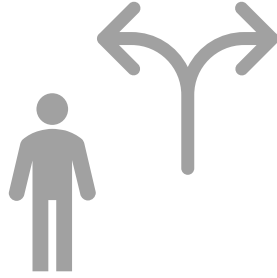
-brad  
Hi -  
Sorry for the delay in replying, but wanted to first off thank you for putting this together and sending it in parallel, I've been working with Brand, Marketing and Design on a workstream to evolve how we talk position the app (and Facebook brand) in light of the focus on Discovery engine. Similar themes came up conversations and research.  
One thing we've been talking about is how to infuse an updated concept of agency into the brand and move more towards recommendations and discovery.  
Rather than proliferate lots of controls and different levers to reinforce agency, my instinct is to double down on the one thought execution we discussed (and I believe @Tom Alison's team will explore) to what would it look

Lastly, I've been trying to think through if there are ways we can make the recommendations experience better because we have the friend graph. For example, if there are social graph signals that we've found that help create more relevant recommendations, then maybe we'd want to indicate that in the UI. I've been trying to think through why and how folks

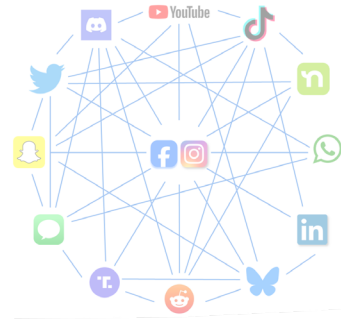
recommendations, then maybe we'd want to indicate that in the UI. I've been trying to think through why and how folks at TikTok are pushing so hard into friending and friend sharing, and how they will incorporate that into their recommendations. Interestingly – and not surprisingly – it appears they are having the opposite problem as us as they

this more quickly than we anticipate. Something to watch when we continue to look at how user attitudes and expectations are changing across the app landscape.

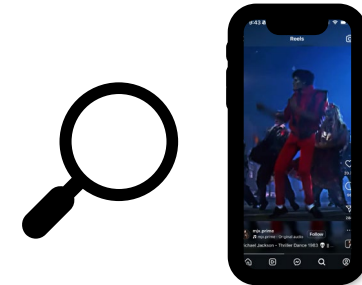
# Ranking Evidence of Competitive Constraints



## 1. Actual Consumer Substitution



## 2. Actual Competitor Behavior



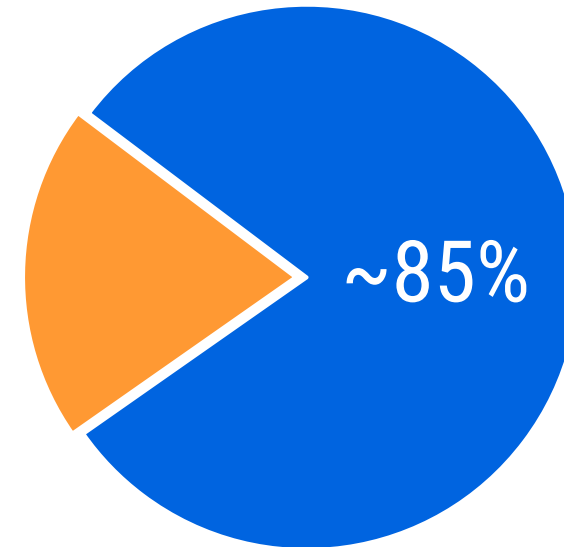
## 3. Subjective Feature Evaluation

# Meta's Share of Time Spent

## FTC Claimed Competitors

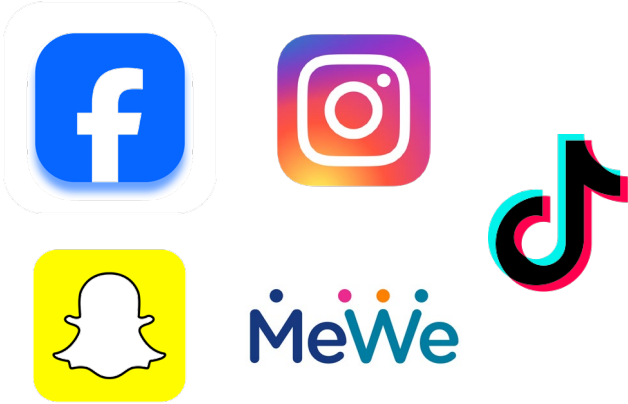


## FTC Claimed Meta Share

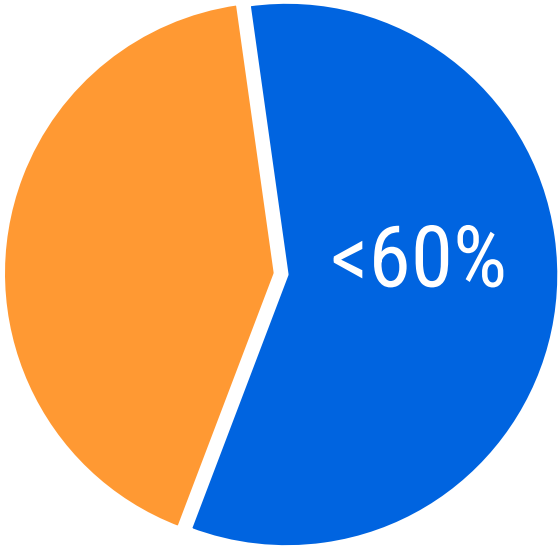


# Meta's Share of Time Spent

## Competitors



## Meta Share

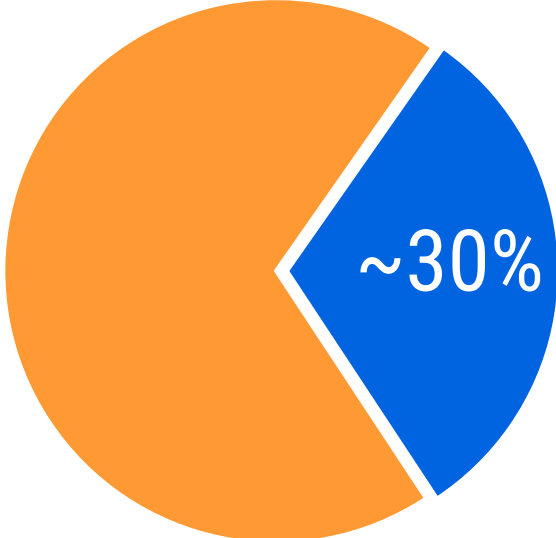


# Meta's Share of Time Spent

## Competitors

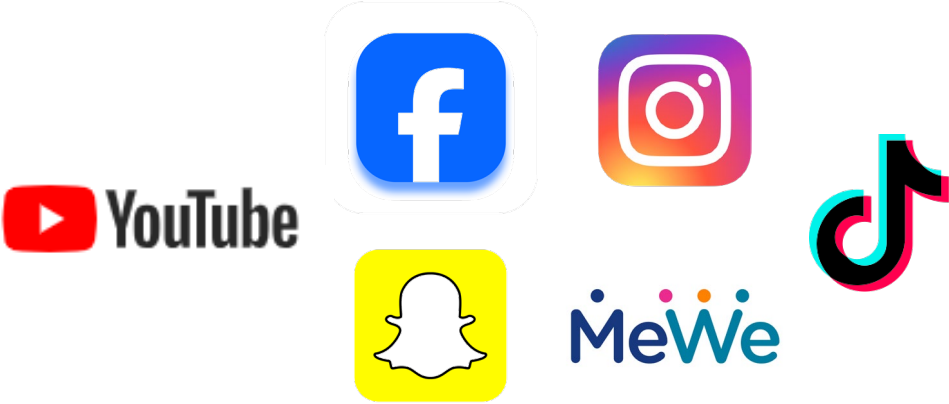


## Meta Share

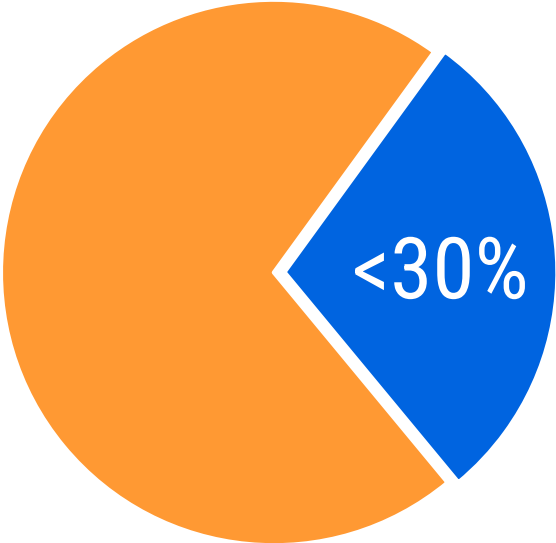


# Meta's Share of Time Spent

## Competitors

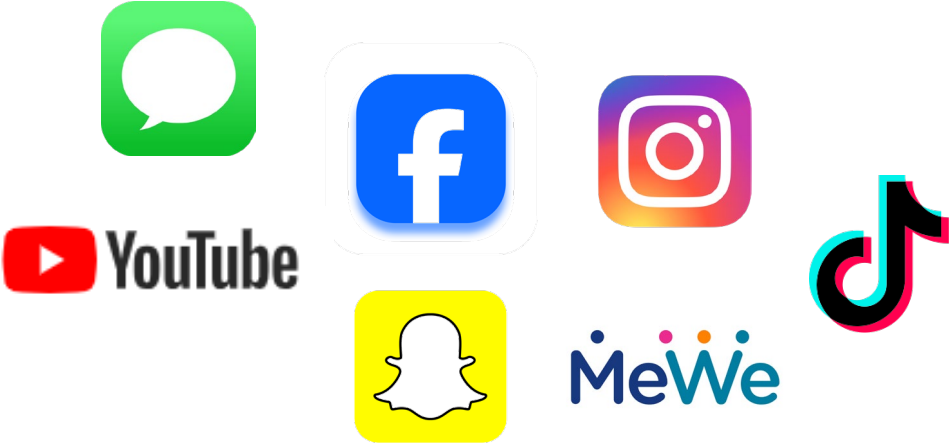


## Meta Share

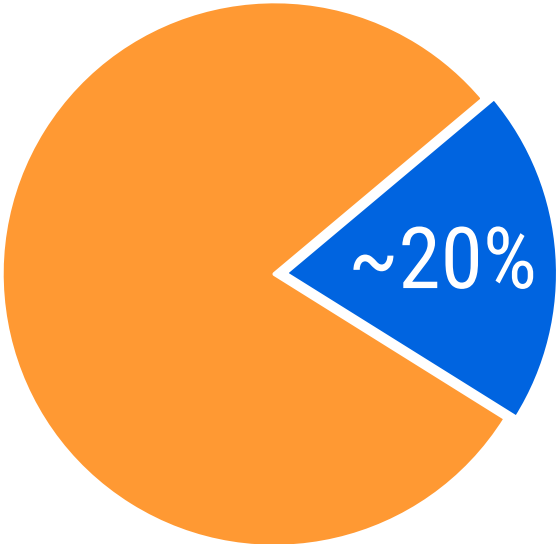


# Meta's Share of Time Spent

## Competitors

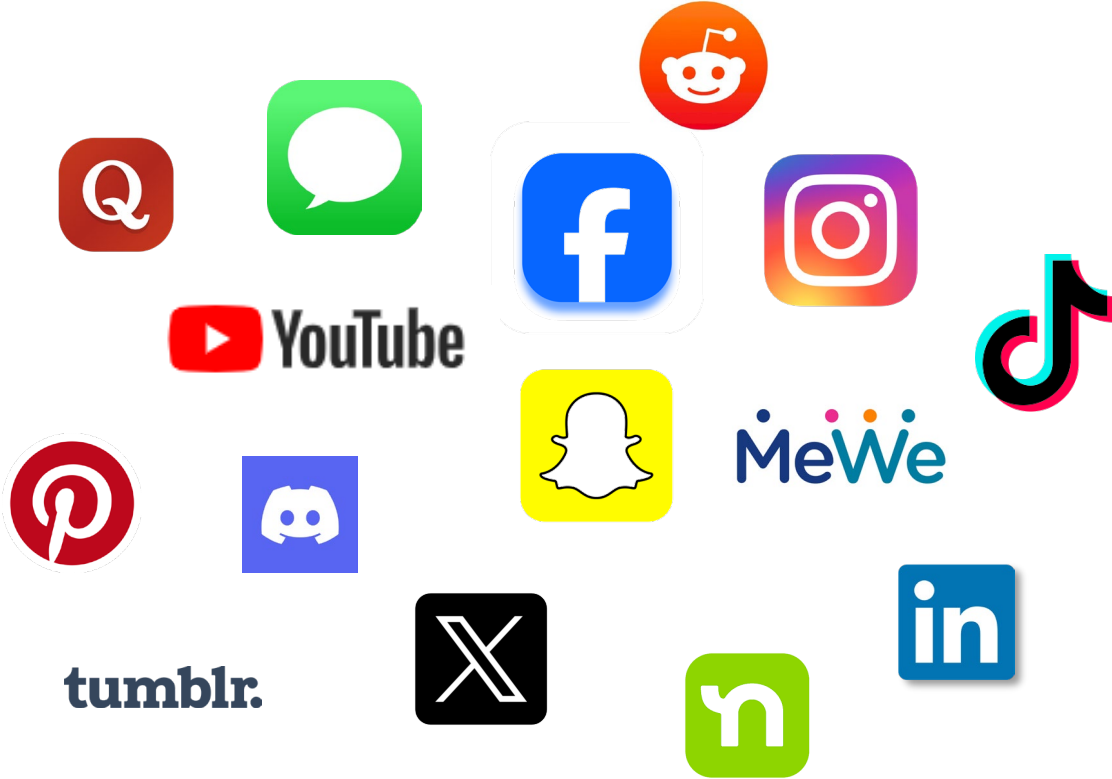


## Meta Share

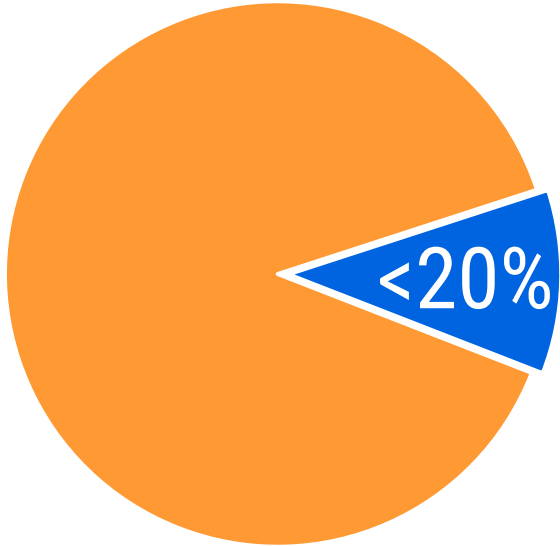


# Meta's Share of Time Spent

## Competitors



## Meta Share



# People Don't Share on TikTok? Not What Users Say

## Typical usage of TikTok

What do you typically use [x] for?



### TEENS

Over-index on friend-related activities (65%, 50%) – top reasons for using TikTok

To watch videos posted by my friends



To have fun with friends by creating a funny video using TikTok



# Roadmap

1

Direct Evidence: Meta Is Not a Monopolist

2

“Indirect” Evidence: Meta Is Not a Monopolist

3

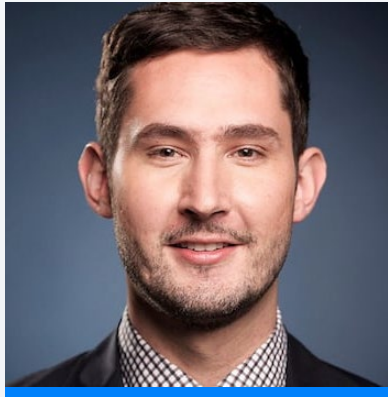
Meta’s Acquisitions Were *Pro-Competitive*



4

Meta’s Acquisitions Produced Extraordinary Efficiencies

# Pre-Acquisition, Instagram Was Dependent on Facebook for Growth



**Kevin Systrom**

*Co-Founder, Instagram*



**“Facebook was one of the main growth drivers.”**

**“I think it was *essential*, let me put it that way, that we would not have grown nearly as quickly without distribution on other platforms.”**

# Lesson of the Tech Pioneers: "Only the Paranoid Survive"



flickr



orkut

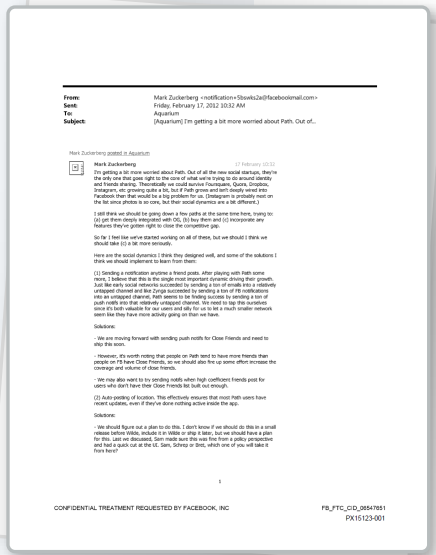


Picasa

Path



# Worry No Predictor of App Success: Where is Path Today?

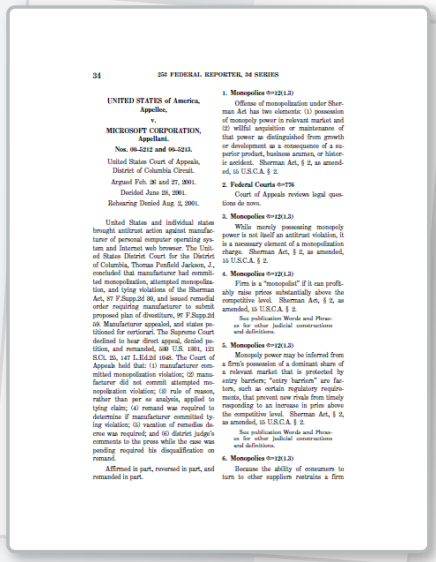


**From:** Mark Zuckerberg [REDACTED]@facebookmail.com>  
**Sent:** Friday, February 17, 2012 10:32 AM  
**To:** Aquarium  
**Subject:** [Aquarium] I'm getting a bit more worried about Path. Out of...

I'm getting a bit more worried about Path. Out of all the new social startups, they're the only one that goes right to the core of what we're trying to do around identity and friends sharing. Theoretically we could survive Foursquare, Quora, Dropbox, Instagram, etc growing quite a bit, but if Path grows and isn't deeply wired into Facebook then that would be a big problem for us. (Instagram is probably next on the list since photos is so core, but their social dynamics are a bit different.)



# D.C. Circuit: Effect, Not Intent, Is the Question



“[I]n considering whether the monopolist’s conduct on balance harms competition and is therefore condemned as exclusionary for purposes of § 2, **our focus is upon the effect of that conduct, not upon the intent behind it. Evidence of the intent behind the conduct of a monopolist is relevant only to the extent it helps us understand the likely effect of the monopolist’s conduct.**”

*United States v. Microsoft Corp.*, 253 F.3d 34, 59 (D.C. Cir. 2001) (en banc) (emphases added)

# Meta *Intent*. Grow and Improve Instagram as “Independent Brand”



**Mark Zuckerberg**

*Founder and CEO*



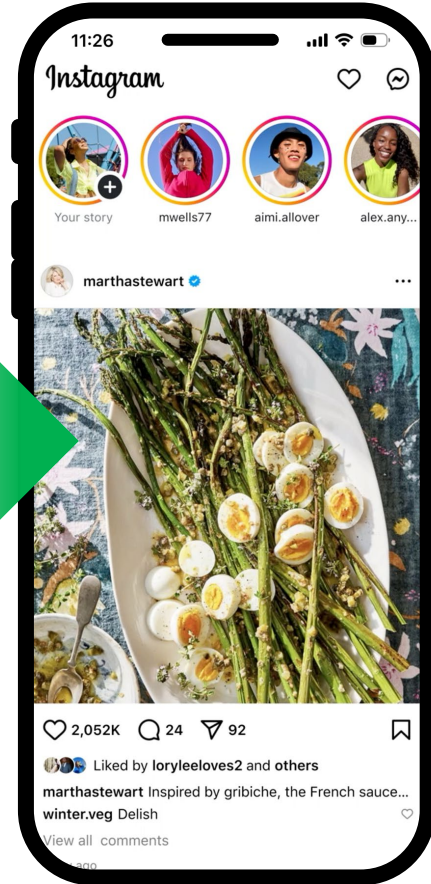
from: Mark Zuckerberg (REDACTED)@facebook.com)  
to: Kevin Systrom (REDACTED)@facebook.com), Mark Zuckerberg (REDACTED)@facebook.com),  
time: Wed Mar 14 23:48:07 PDT 2012 (1331794087800)  
subject:  
body

I'm glad we got a chance to talk yesterday. I appreciate the open style you have for working through these issues. It makes me want to work with you even more. I was thinking about our conversation some more and wanted to share a few more thoughts. **On the thread about Instagram joining Facebook, I'm really excited about what we can do to grow Instagram as an independent brand and product** while also having you take on a major leadership role within Facebook that spans all of our photos products, including mobile photos, desktop photos, private photo sharing and photo searching and browsing. This would be a role where we'd be working closely together and you'd have a lot of

# Instagram Benefited Enormously from Acquisition



2012



2025

## Selected Benefits to Instagram

- Grew from 3.9M U.S. users in 2012, 230M+ today
- Innovated dozens of new features
- Deployed industry-leading ad system
- Transitioned to Meta's world-class infrastructure
- Provided advanced integrity tools and expertise

# Roadmap

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Meta’s Acquisitions Were *Pro-Competitive*



4

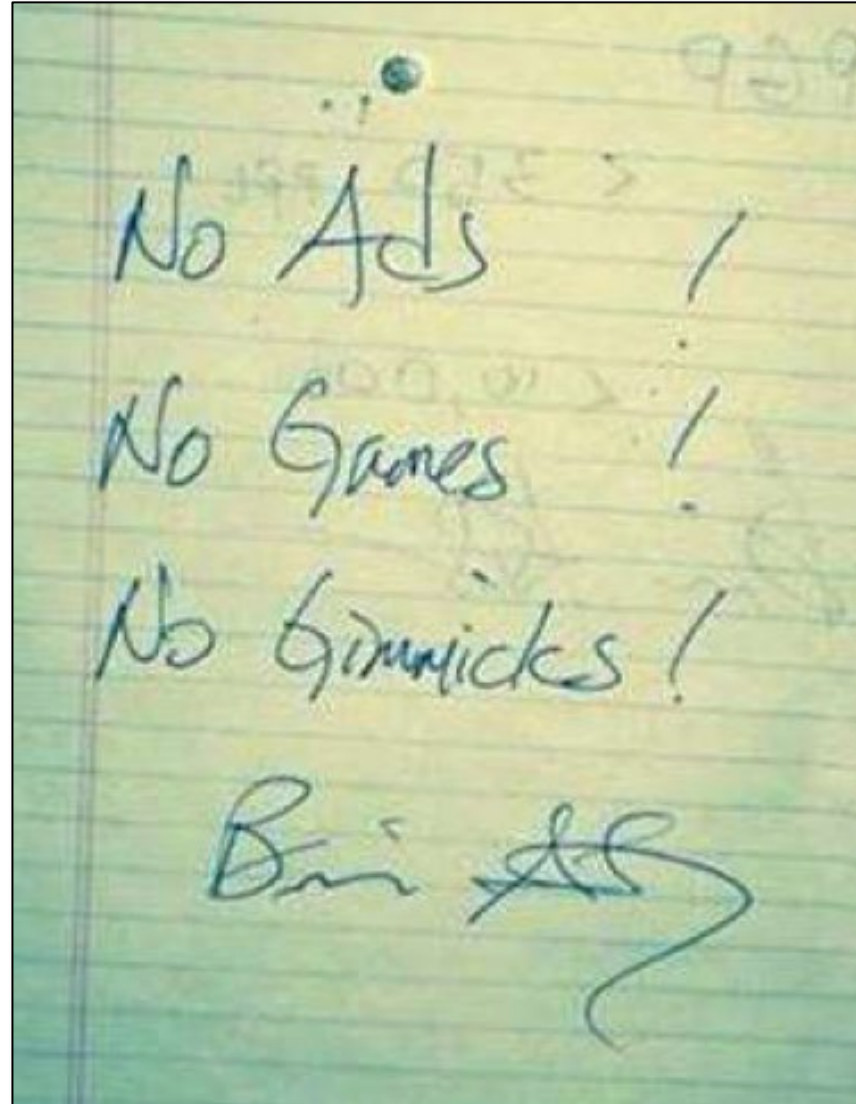
Meta’s Acquisitions Produced Extraordinary Efficiencies

# WhatsApp Founders: FTC Speculations Are *Wrong*



**Brian Acton**

*Co-Founder, WhatsApp*



# WhatsApp As U.S. Competitor?



**Brian Acton**

*Co-Founder, WhatsApp*



- Q.** Had WhatsApp taken actions specifically targeting growth in the United States prior to February 2014?
- A.** No.
- Q.** [C]ould WhatsApp have taken actions to target growth in the U.S.?
- A.** **I suppose you can always take money, flush it down the toilet**, and market with television and radio ads. I wouldn't do it. I mean, it's kind of a hard question to answer. **It's a zero ROI proposition.**

# FTC Speculations Are Wrong



Mark Zuckerberg

Founder and CEO



**From:** Mark Zuckerberg </O=THEFACEBOOK/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=REDACTED>  
**To:** Mark Zuckerberg; Peter Deng; Amin Zoufonoun; Mike Schroeffer  
**Sent:** 7/16/2012 10:54:55 PM  
**Subject:** Message summary [id.133231386817093]

Mark Zuckerberg:

>I've been meaning to write up notes from my meeting with WhatsApp. Here are the shorthand notes I wrote to myself. Keep these confidential.

>Now wants to be everyone's msg app  
>Looks down on features in Asian clones  
>Wants to stay focused on messages

Peter Deng:

>Thanks for sending. The comparison to craigslist is interestingly appropriate. Also, makes sense that they're running like a lifestyle company.

>

>Anything about this meeting significantly affect your thinking one way or another?

Mark Zuckerberg:

>Not really. I found him fairly impressive although disappointingly (or maybe positively for us) unambitious.

>

>I still think the real issue is beating SMS rather than beating WhatsApp.

# Roadmap

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Meta’s Acquisitions Were *Pro-Competitive*

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Meta’s Acquisitions Produced Extraordinary Efficiencies

# Consumer Surplus Analysis: Only Question is How Many Billions



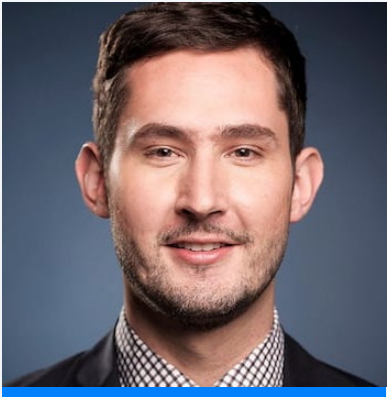
**Dennis Carlton**

*Professor of Economics  
University of Chicago  
Booth School of Business*

	Consumer Surplus Estimate (Annual)	
	Low	High
<b>Instagram</b>		
Brynjolfsson <i>et al.</i> (2023)	\$ 62,514,362,880	\$ 78,142,953,600
Singh <i>et al.</i> (2021)	\$ 12,893,587,344	\$ 29,694,322,368
<b>Whats App</b>		
Brynjolfsson <i>et al.</i> (2023)	\$ 25,605,661,848	\$ 31,514,660,736

**Total Consumer Surplus**  
\$38.5 to \$110 Billion *Per Year*

# Facebook Made Instagram “Better and Better and Better”



**Kevin Systrom**

*Co-Founder, Instagram*



“In some ways, there being less autonomy is a function of Instagram winning. If Instagram had just been this niche photo app for photographers, we probably would be working on that app for 20 years. Instead what happened was it got better and better and better, and it improved, and it got to a size where it was meaningfully important to this company,” Systrom explained. “If this thing gets to that scale that we want it to get to which is why we’re doing this deal, the autonomy will eventually not be there as much because it’s so important. So in some ways it’s just an unavoidable thing if you’re successful. So you can choose, do you want to be unsuccessful and small and have all the autonomy in the world, or no?”

# What the Evidence Will Show

## No Monopoly

### Direct Evidence

- Price competitive
- Output unrestricted
- Quality improved

### “Indirect” Evidence

- Market share far below 60%
- Strong entry

## No Unlawful Acquisitions



### Instagram

- Dramatic improvements
- Expanded output



### WhatsApp

- Dramatic improvements
- Expanded output

## Efficiencies from Acquisitions

Hundreds of billions in added consumer surplus