

## Zuckerberg Defends Facebook's Value While Senators Question Apology

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- People use its services '100 billion times a day': Zuckerberg
  - 'We've seen the apology tours,' scoffed Senator Blumenthal
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Facebook Inc. co-founder [Mark Zuckerberg](https://www.bloomberg.com/billionaires/id/15103277) defended the social network's value before Congress and pledged to correct its mistakes, as senators questioned whether he'll deliver after years of failed assurances that he'd protect user privacy.

"People come to Facebook, Instagram, Whatsapp, Messenger about 100 billion times a day to share a piece of content or a message with a specific set of people," Zuckerberg said of his company's services Tuesday at a joint hearing of the Senate Commerce and Judiciary Committees. That core part of the company "does seem to be working fairly well."

But lawmakers were less convinced by the billionaire chief executive officer's mea culpa -- "it was my mistake and I'm sorry" -- and promise he'll do better after failing to do enough to prevent the social network from being misused for fake news, Russian election interference and hate speech.



Mark Zuckerberg Photographer: Andrew Harrer/Bloomberg

"After more than a decade of promises to do better, how is today's apology different?" Senator John Thune, Republican chairman of Senate Commerce, told Zuckerberg. "And why should we trust Facebook to make the necessary changes to ensure user privacy and give people a clearer picture of your privacy policies?"

### **'Privacy Nightmare'**

He said Zuckerberg has a responsibility to ensure his dream "doesn't become a privacy nightmare" for millions of Americans.

"We've seen the apology tours," scoffed Democratic Senator Richard Blumenthal of Connecticut. He said Facebook has denied "even an ethical violation" of a 2011 consent decree with the Federal Trade Commission on safeguarding users' personal information.

Zuckerberg's trip to Washington came after weeks of damaging reports about the social network's data practices. The CEO and his deputies mounted a defense ahead of two days of congressional hearings, his first testimony at the Capitol. He 's scheduled to appear on Wednesday before the House Energy and Commerce Committee.

Facebook shares jumped as Zuckerberg spoke, closing up 4.5 percent in New York trading. They had been gaining for most of the day after declining about 1 percent just after trading began Tuesday. The stock has dropped 11 percent since reports about Cambridge Analytica's harvesting of Facebook data for political purposes surfaced in March.

Pressed by senators on whether Facebook will always depend on advertising that draws on users' personal data, Zuckerberg left the way open for an ad-free version supported by fees. "There will always be a version of Facebook that is free," he said.

### **Weighing Regulation**

"Your user agreement sucks," Republican Senator John Kennedy of Louisiana told Zuckerberg with characteristic bluntness. Kennedy said its purpose is to "cover Facebook's rear end," not inform users of their rights. "I don't want to vote to have to regulate Facebook, but by God I will," he said.

Zuckerberg, asked by a senator whether Facebook would agree to government regulation of its data use, said "I think if it's the right regulation, then yes." He said his company will propose regulations it considers appropriate.

In response to questions from Judiciary Chairman Chuck Grassley of Iowa, Zuckerberg said Facebook will audit tens of thousands of apps to find any misuse of user data. Asked why the company doesn't disclose to users all the way its data might be used, Zuckerberg said "long privacy policies are very confusing, and if you make it long and spell out all the detail, then you're probably going to reduce the number of people who read it."

### **Suit and Tie**

Zuckerberg, wearing a suit and tie in place of his usual gray t-shirt, had met with a number of lawmakers ahead of the hearing in what amounted to a charm offensive for the 33-year-old entrepreneur who started the world's largest social network in a Harvard dorm room. He repeatedly invoked that origin story in his Senate testimony, just as he prefaced his answers by telling senators repeatedly that they'd asked a "great question."

But the scandal over political data firm Cambridge Analytica's access to tens of millions of accounts without users' knowledge ensured a long day for Zuckerberg in an environment that wasn't under his customary control, with a worldwide audience and the company facing fresh regulatory risks around the globe.

"Why didn't Facebook notify 87 million users that their personally identifiable information had been taken" for "unauthorized political purposes?" Senator Bill Nelson of Florida, the top Democrat on the Commerce Committee, said at the hearing.

"If Facebook and other online companies will not or cannot fix the privacy invasions, then we are going to have to, we the Congress," Nelson said. "How can American consumers trust folks like your company to be caretakers of their most personal and identifiable information?"

Senators also pressed Zuckerberg on the company's failure to stop Russian meddling through bogus accounts and misinformation during the 2016 U.S. presidential campaign.

"One of my greatest regrets in running the company is that we were slow in identifying the Russian information operations," Zuckerberg said. Saying that fixing that vulnerability is one of his top priorities this year, he said the company has done a better job this year in France, Germany and last year in the Senate election in Alabama.

He said the company blocked "tens of thousands" of fake accounts with help from improved artificial intelligence tools. But he said "policing" Facebook isn't going to be easy because the ability of AI to identify the difference between political debate and hate speech is five to 10 years away.

[A QuickTake: Understanding the Facebook-Cambridge Analytica Issue <https://www.bloomberg.com/news/articles/2018-03-21/understanding-the-facebook-cambridge-analytica-story-quicktake>](https://www.bloomberg.com/news/articles/2018-03-21/understanding-the-facebook-cambridge-analytica-story-quicktake)

Ahead of the hearing, Grassley of Iowa wrote an op-ed article saying the status quo is unacceptable and urging Zuckerberg to work with Congress on new rules of the road. Grassley and Thune both said their hearings would hold subsequent hearings on Cambridge Analytica.

John Cornyn of Texas, the No. 2 Senate Republican and a member of the Judiciary Committee, went to the Senate floor to question whether Facebook's business model is at odds with protecting privacy and whether new laws are needed, including new legal obligations for the company based in Menlo Park, California.

Zuckerberg's contrition "won't matter much without additional action, some of which might even be foundational to Facebook's entire business model," Cornyn said.

[A QuickTake: Why Data Privacy Will Be Stronger in EU than in U.S. <https://www.bloomberg.com/news/articles/2018-03-20/how-europe-s-gdpr-will-mean-your-data-belongs-to-you-quicktake>](https://www.bloomberg.com/news/articles/2018-03-20/how-europe-s-gdpr-will-mean-your-data-belongs-to-you-quicktake)

He questioned whether users really understand tech companies' terms of service and have given informed consent for the use of their data.

"Perhaps we should treat social media platforms as information fiduciaries and impose legal obligations on them as we do with lawyers and doctors who are privy to some of our most personal private information," Cornyn said.

— *With assistance by Ben Brody, and Todd Shields*