Schriftliche Antworten von Google

Die Beantwortung der Fragen erfolgte am 25.03.2020 und 21.04.2020 per E-Mail durch Google-Pressesprecher Ralf Bremer an die Studienautoren.

The precursor to the DNI fund and the Google News Initiative was the Digital Publishing Innovation Fund in France, which pledged 60 million euros to publishers. Reports in the French media, by Frederic Filloux and others, put the fund in the context of the then-ongoing French debate about ancillary copyright. Is that correct?

This was a commitment that built on the commitments we made back in 2011 to increase our investment in France—including our Google Arts & Culture Lab in Paris. As we have long said, we recognise the internet has changed the way we find and access information, and that publishers are facing challenging business environments as a result. News is important to Google, and as such we have worked with the industry for more than 20 years to help provide value to them.

Following the French debate about ancillary copyright, the French government suggested a round of negotiations between Google and the French publishers which led to the creation of *Fonds pour l'Innovation Numérique de la Presse (FINP)*, a 60 million Euro fund over three years to support long term innovation for the French publishers. <u>This agreement</u> was signed by Google's CEO at the time, Eric Schmidt, and the General and Politic Press Association under the umbrella of the French government. How it worked:

- About 180 news websites both established legacy publishers and online only players

 were eligible to apply for projects that demonstrate innovation and new thinking in
 the practice of digital journalism.
- In terms of governance, the French fund was all about collaboration between Google and the French press through a specially-founded body (registered as an association) The FINP or Digital Publishing Innovation Fund.
- The FINP was independent from both Google and the press regarding its daily operations and was overseen by a board composed by 7 members 3 press representatives, 1 Google's representative and 3 independent experts from the digital industry. The board was in charge of deciding which projects to be funded based on the FINP's Director recommendation. Projects were co-funded to up to 60% from the FINP with the remainder allocated in resources by the recipients. The cap for projects was M2€ per year and per publisher.
- The list of selected projects was public and broadly shared (see example of article <u>here</u> reporting on the 2 first years of operation for M31.8€).

Did the French fund pay out the full 60 million euro?

The French Fund allocated 55,985,112€ to projects. All projects were closely followed from both an execution and an accounting standpoint. Most of the projects are now finished and so the money is released. But a few are still being developed as the projects could last for up to 3 years. An independent accounting firm is in charge of the follow up. A very small proportion of the fund was allocated to operating and administration costs such as third party auditing and knowledge sharing (e.g. an event with Wan IFRA).

Was there ever a full list of projects for the French fund published?

The list was published on the <u>FINP.FR</u> website and details shared with publishers at a full day event. The website is now closed as the Fund came to an end (you can see the archive records <u>here</u> though the videos no longer play).

Tallying the French fund and the DNI fund, that would make a total of 200 million euro paid out to European media from 2013 to 2019, is that correct? Can you give an exact figure?

M210€ has been allocated in total for both separated initiatives Digital Publishing Innovation Fund in France (FNIP) and DNI fund. The vast majority went to publishers. As is normal for funds, a very small proportion was used for operating costs including third party auditing and knowledge sharing (eg. ensuring insights gained from the programme were made accessible to all publishers). This was less than 5% for the DNI.

The DNI fund published an annual report for 2018, but not for 2019. Why?

The DNI Fund published a <u>2016 - 2017 report</u> as well as a <u>2018 report</u> The DNI Fund also:

- Made <u>all projects</u> public once selected
- Produced some <u>innovation stories</u> in the spirit of sharing the knowledge
- Organised 2 DNI Fund EMEA events in Amsterdam and in Paris with +250 attendees from the entire news ecosystem to share the learnings or the projects and many local/regional events
- When the DNI Fund came into an end we shared some of the learnings and reported on the last round <u>here</u>
- As most of the projects take multi years to be developed we decided to wait until 2020 and to monitor the progress to publish a 2019 - 2020 when it will be the more relevant for the industry in terms of knowledge sharing
- We are currently working on a 2019 2020 DNI Fund "final" report and we aim to publish it in the coming months. This report will actually cover all the duration of the DNI Fund and aim to share relevant learnings and resources for the entire news-ecosystem.

Does any of the 140 million euro paid out by the DNI fund contribute to the 300 mio. dollar pledged for GNI?

No. Those are two different initiatives with two different and specific budgets.

Is there a systematic overview over all GNI projects and recipients to be found somewhere?

- All GNI Programs and Initiatives are listed here: <u>https://newsinitiative.withgoogle.com/programs/</u>
- All GNI Challenges recipients are listed here:
- https://newsinitiative.withgoogle.com/innovation-challenges/funding/
- All DNI Fund recipients are listed here
- <u>https://newsinitiative.withgoogle.com/dnifund/dni-projects/</u>
- We will continue providing transparency and knowledge sharing reports regularly about both initiatives and we are currently working on a DNI Fund wrap up report. Most of GNI Challenges projects are still early stage as the initiative was launched

about one year ago and we will share knowledge as soon as the recipients who own the projects, as well as the Intellectual property of the projects, will consider there is enough to be shared to make it relevant for the entire industry

How many funding applications were rejected by the DNI council and for what reason?

- Over 6 rounds of application the DNI Fund:
 - Received 5,154 applications
 - Shortlisted 1,315 for interview with applicants
 - Selected 662 projects worth €140,689,269 in 30 european countries
- All projects were reviewed by a project team made of Google employees and external assessors (For example, round 6 project team members listed <u>here</u> at the bottom including three external industry experts)
- All projects have been reviewed by at least three people, including one external industry expert
- All projects were assessed against specific and public criteria:
 - Impact on news ecosystem
 - Innovation & use of technology
 - Feasibility
 - For Round 4, 5 and 6, a monetisation opportunities component has been added and publicised for projects=ts >50k
 - For each round of funding, specific T&Cs were communicated broadly and published on our website (see example <u>here</u>)
- A Council made up of Googlers and external experts from the European news industry and beyond, intended to reflect diverse points of view, was in charge of making the final selection based on project team recommendations and to oversee the DNI fund operations (see rules of governance <u>here</u> and the list of DNI Fund's Council members <u>here</u>)
- In order to respect the integrity of the applicants, we didn't share the names of the applicants but only of the recipients.
- Also, to reiterate: the Funding was not about Google products and the recipients own the IP. The only purpose of both the French Fund and the DNI Fund was to stimulate innovation for the benefit of the entire news-ecosystem which was reflected in the diversity of recipients and the diversity of topics.

According to media scholar Emily Bell DNI funding was taken from Google's marketing budget. Is that correct and does it apply to the French fund and the global GNI as well? We don't break out internal funding. However, I can confirm this did not come from a marketing budget.

Google labels publishers as "Partners". Some of the people in the industry we talked to feel that is not a fitting term since they are your customers and you are subject to their coverage. What would you say to this perception?

"Partner" is a term we use to refer to companies with which we have a business relationship or as it is the case in DNI and GNI with whom we develop innovative technologies like AMP or Subscribe with Google. That does not exclude that publishers are also our customers as we are their customers as well, e.g. when it comes to ads in their newspapers or on their websites. Back in 2018, there was a story in the Financial Times about an e-mail by Madhav Chinnappa to a group of publishers on the DNI working group giving Google's position on the Copyright Directive, arguing why it was "bad for the internet". For our current study, we heard from German publishers that a similar e-mail was sent to publishers about the EU's upcoming ePrivacy Regulation, claiming it would affect both Google and the publishing industry negatively. Do you feel that e-mail constitutes a lobbying effort visavis the publishers?

The quote from Madhav's leaked email was about <u>the Open Letter about Article 13</u> from many internet luminaries including Tim Berners Lee. It was a response to the DNI Working Group who asked for more information about the Copyright Directive and Google's position on it. If you read the email, it links to independent research and information as the group wanted to educate themselves more.

More generally, it is standard practice for governments and other relevant parties to ask companies for comments on proposed laws. We support updating copyright rules for the digital age and, along with many others, have provided, and continue to provide, feedback on how the law may impact the way people access news content online.

We build technology that helps people and creates economic opportunity. Our success in doing that means we have a responsibility to be an engaged and helpful partner to policymakers as they debate topics related to our products and partners. That also applies in regulatory enforcement cases - we have made our case to regulators and others involved in the process - and we'll continue to do so.

There is the European Innovative Publishers Council that opposes ancillary copyright. Many of the members in the Council are DNI recipients. Was Google somehow involved in creating this group or does it coordinate with it?

We support a number of interest groups and <u>research programs</u> around the world to help public and private institutions pursue research on important topics in computer science, technology, and a wide range of public policy and legal issues. That includes EIMP that helps give smaller publishers a voice.

Following Google's example, Facebook also announced a 300 million dollar fund for news. How do you feel about Google as a model for other companies? Do they live up to the model?

We try to focus on what we can do given our role in the ecosystem and it's not our place to comment on how others operate.