

ONE HUNDRED EIGHTEENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON THE JUDICIARY

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October 3, 2024

Mr. Michael Komasinski
Chief Executive Officer
Dentsu Americas
150 East 42nd Street, 14th floor
New York, NY 10017

Dear Mr. Komasinski:

The Committee on the Judiciary is conducting oversight of the adequacy and enforcement of U.S. antitrust laws.¹ In March 2023, the Committee began investigating the World Federation of Advertisers (WFA) and its Global Alliance for Responsible Media (GARM) initiative, of which Dentsu was a founding member.² After the Committee released its report detailing the collusive activity of GARM, WFA disbanded the entire GARM initiative.³ However, recent reporting shows that Dentsu has started a new coalition (the Dentsu Coalition) of the world's largest marketers with striking similarities to GARM.⁴ Accordingly, to inform the Committee's oversight and potential legislative remedies, we write to ask Dentsu to provide documents and information.

According to public reporting, the new Dentsu Coalition is "aimed at fostering substantial and sustainable investments in credible news."⁵ The 614 Group, an advertising consulting group co-leading the coalition with Dentsu, stated that the Dentsu Coalition's aim is to "ensure that journalism . . . thrives by *leveraging the collective power* of the industry's foremost players."⁶ The 614 Group's CEO stated that the coalition "is more than just a study on news and brand

¹ See generally Rules of the House of Representatives R. X (2023).

² Letter from Jim Jordan, Chair H. Comm. on the Judiciary to Robert Rakowitz, GARM (Mar. 22, 2023). See HJC-WFA-GARM-000016155.

³ See generally STAFF OF THE HOUSE COMMITTEE ON THE JUDICIARY, 118TH CONG., GARM'S HARM – HOW THE WORLD'S BIGGEST BRANDS SEEK TO CONTROL ONLINE SPEECH (2024). See also Press Release, GARM, Statement on the Global Alliance for Responsible Media (GARM), (Aug. 9, 2024), <https://wfanet.org/leadership/garm/about-garm>.

⁴ Press Release, Dentsu, Dentsu and The 614 Group Spearhead a New Coalition to Enhance Investment in News (Sept. 4, 2024); see also Joe Mandese, Dentsu Unveils Post-GARM Ad Coalition, Backs Credible News Media, MediaPost (Sept. 5, 2024).

⁵ Press Release, Dentsu, Dentsu and The 614 Group Spearhead a New Coalition to Enhance Investment in News (Sept. 4, 2024).

⁶ *Id.* (emphasis added).

safety” but is instead “a commitment by leading brands to actively support the infrastructure of news itself and share a concrete view of those plans.”⁷ In light of Dentsu’s position as one of the largest advertising agencies by revenue—and especially given the willingness of advertising agencies to use collective power to collude, boycott, and censor through GARM—these statements raise concern about potential collusion and a *de facto* reorganization of GARM.

The Dentsu Coalition appears to be pursuing objectives similar to GARM’s.⁸ Before dissolving, GARM routinely attempted to delineate which news outlets were credible enough to receive the group’s funding.⁹ To accomplish this, GARM attempted to “provoke” its membership to work with third-party fact-checking organizations, such as the Global Disinformation Index (GDI) and NewsGuard, to identify sources of unreliable news.¹⁰ Like the Dentsu Coalition, GARM justified its collusive action by claiming that the group had an obligation to support credible news and journalism and steer investments away from other news sources.¹¹ In addition, GARM attempted to use organizations such as GDI and NewsGuard to coordinate standardized exclusion lists for its members that would blacklist certain outlets from advertising revenue.¹² As the Committee’s oversight revealed, the news outlets disfavored by GARM and its members were almost exclusively outlets that hosted conservative views.¹³

Under the Sherman Act, Dentsu’s coordinated actions may be illegal,¹⁴ regardless of “[t]he social justifications proffered for [the] restraint of trade.”¹⁵ As outlined in the Committee’s report, the anticompetitive effects of GARM’s actions were severe. For example, as the Committee detailed, initiatives like GARM starve disfavored news outlets of crucial funding.¹⁶ News Corp. CEO Robert Thomson highlighted this anticompetitive conduct when he stated on a recent company earnings call, “GARM[’s] harm is real” thanks to “coordinated boycott[s] of media platforms perceived to be unfashionable by illiberal liberals.”¹⁷ Thomson also noted that advertising industry bodies like GARM “have done serious damage and denied many advertisers access to a significant audience.”¹⁸

To further our oversight of the adequacy of existing antitrust laws and inform potential legislative reforms, the Committee respectfully requests that you produce the following documents and information:

⁷ *Id.*

⁸ See generally HJC-WFA-GARM-000100343.

⁹ *Id.*

¹⁰ HJC-WFA-GARM-000119679. See also HJC-WFA-GARM-000058931.

¹¹ HJC-WFA-GARM-000100343.

¹² *Id.*

¹³ See generally STAFF OF THE HOUSE COMMITTEE ON THE JUDICIARY, 118TH CONG., GARM’S HARM – HOW THE WORLD’S BIGGEST BRANDS SEEK TO CONTROL ONLINE SPEECH, section II.C (2024).

¹⁴ See 15 U.S.C. § 1.

¹⁵ *FTC v. Superior Ct. Trial Laws. Ass’n*, 493 U.S. 411, 424 (1990).

¹⁶ See generally Collusion in the Global Alliance for Responsible Media Before the H. Comm. On the Judiciary, 118th Cong. (2024). See also STAFF OF THE HOUSE COMMITTEE ON THE JUDICIARY, 118TH CONG., GARM’S HARM – HOW THE WORLD’S BIGGEST BRANDS SEEK TO CONTROL ONLINE SPEECH (2024).

¹⁷ Joseph Wulfsohn, *News Corp CEO takes aim at now-defunct GARM’s media boycott efforts: Its ‘harm has been real’*, Fox Business (Aug. 8, 2024).

¹⁸ *Id.*

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1. All documents and communications referring or relating to GARM; and
2. All documents and communications referring or relating to any reorganization of GARM or its functions following its discontinuation and disbandment on August 8, 2024.

Please provide responses to the Committee's requests as soon as possible, but by no later than October 17, 2024, at 12:00 p.m. Pursuant to Rule X of the Rules of the House of Representatives, the Committee is authorized to conduct oversight of and legislate on matters relating to the "[p]rotection of trade and commerce against unlawful restraints and monopolies."¹⁹ If you have any questions about this request, please contact Committee staff at (202) 225-6906. Thank you in advance for your prompt attention to this matter.

Sincerely,



Jim Jordan
Chairman

cc: The Honorable Jerrold L. Nadler, Ranking Member

¹⁹ Rules of the House of Representatives R. X (2023).