



U.S. Department of Justice

United States Attorney  
Southern District of New York

86 Chambers Street, 3rd Floor  
New York, NY 10007

January 9, 2023

BY ECF

The Hon. John G. Koeltl  
United States District Judge  
Daniel Patrick Moynihan  
United States Courthouse  
Southern District of New York  
500 Pearl Street  
New York, NY 10007

Re: *United States v. Meta Platforms, Inc. f/k/a Facebook, Inc.*,  
22 Civ. 5187 (JGK)

Dear Judge Koeltl:

This Office represents the United States of America (the “Government”) in the above-referenced action. We write respectfully on behalf of both parties, pursuant to paragraph 5 of the Settlement Agreement and Final Judgment entered in this case on June 27, 2022, Dkt. No. 7 (the “Settlement Agreement”), and the Court’s December 30, 2022, Order, Dkt. No. 10, to respectfully advise the Court that the parties have reached agreement on the VRS Compliance Metrics and therefore the term of the Settlement Agreement will be the Extended Term, ending on June 27, 2026.<sup>1</sup>

The Settlement Agreement provides, among other things, that Meta will build a Variance Reduction System (“VRS”) to reduce variances in the delivery of housing ads that the United States alleges are introduced by Meta’s ad delivery system, for sex and estimated race/ethnicity. *See* Settlement Agreement ¶ 10(a). Pursuant to paragraph 10(b), the parties were required to meet and confer by December 16, 2022 “in good faith in an effort to agree on metrics for how much the VRS will reduce any variances” (“VRS Compliance Metrics”). *Id.* ¶ 10(b). If the parties reached agreement on those metrics: (1) Meta would implement the VRS by December 31, 2022 (“VRS Implementation Date”), *id.* ¶ 10(d); and (2) the parties would file a joint notice with the Court by December 31, 2022, and the term of the Settlement Agreement would extend from an initial term, ending on December 31, 2022 (“Initial Term”), through an extended term (“Extended Term”), ending on June 27, 2026, *id.* ¶ 5.

As the parties advised the Court by letter on December 29, 2022, the parties met and conferred and reached an agreement in principle on the VRS Compliance Metrics. The parties requested, and the Court granted, an extension until January 9, 2023, to file the joint notice required by paragraph 5; an extension of the Initial Term through January 9, 2023; and a corresponding extension of the VRS Implementation Date to January 9, 2023. Dkt. No. 10.

<sup>1</sup> Capitalized terms are those defined in the Settlement Agreement, ¶¶ 3 & 10.

Letter to the Hon. John G. Koeltl

The parties have reached final agreement on the VRS Compliance Metrics and therefore the term of the Settlement Agreement shall be the Extended Term, ending on June 27, 2026. During the Extended Term, the VRS Compliance Metrics will be as follows for Housing Advertisements with US Ad Impressions, and variances will be measured using the Earth Mover's Distance ("EMD"), otherwise known as the Wasserstein Metric:

- For Housing Advertisements with more than 1,000 Ad Impressions, which constitute the vast majority of Housing Advertisements on Meta Platforms, the VRS will reduce variances as follows:<sup>2</sup>

	Variance	Coverage		
		By April 30, 2023	By August 31, 2023	By December 31, 2023
Sex	≤10%	82.6%	87.2%	91.7%
	≤5%	73.2%	79.1%	84.5%
Estimated Race/ Ethnicity	≤10%	72.2%	76.1%	81.0%
	≤5%	54.3%	57.5%	61.0%

- For all Housing Advertisements with at least 300 Ad Impressions, the VRS will reduce variances as follows:

	Variance	By April 30, 2023	By August 31, 2023	By December 31, 2023
Sex	≤10%	80.6%	84.8%	90.2%
	≤5%	68.5%	73.4%	78.3%
Estimated Race/ Ethnicity	≤10%	69.7%	74.0%	80.1%
	≤5%	48.5%	52.6%	56.8%

<sup>2</sup> As noted in the Settlement Agreement, measurements for estimated race/ethnicity will be based on information estimating race/ethnicity using a privacy-enhanced version of the Bayesian Improved Surname Geocoding ("BISG") methodology. This use will be limited to aggregate measurements and subject to privacy protections to prevent individual identification. *See id.* ¶ 10(a)(v).

Letter to the Hon. John G. Koeltl

In sum, because the parties have reached agreement on the VRS Compliance Metrics, the term of the Settlement Agreement will be the Extended Term, ending on June 27, 2026.

Thank you for your consideration of this matter.

Sincerely,

DAMIAN WILLIAMS  
United States Attorney

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