



**ARD-Liaison Office Brussels**

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**ARD Reply to the call of contributions by DG Competition on competition in  
Generative AI**

**Introduction**

ARD welcomes the timely initiative by DG Competition to gather specific information and views in relation to competition aspects of virtual worlds and generative AI.

ARD takes great interest in this process given the fact that the provision of its content and services through intermediary services play an important role in the fulfillment of its public service remit. Virtual Worlds as well as Platforms using Gen AI are very likely to play a key role in whether and how citizens access media content services online which means that they will have a significant impact on opinion-making, free speech and ultimately democracy.

ARD is a German Public Service Broadcaster which produces a diverse range of audio and audiovisual media content services and offer them on their own trusted digital services to their audiences. In addition, ARD has embraced opportunities for additional ways of reaching out to and interacting with audiences online to fulfill its public service remit, responding to audiences needs and preferences.

**General remarks**

From ARD's point of view, the development of Artificial Intelligence (AI) and applications based on it entails in general, positive potential as well as fundamental risks for public service broadcasting and the fulfilment of its public service remit.

We see possibilities for optimization in areas such as content production, improved use of our archives, distribution and also target-group-specific addressing of users. In the area of content, AI-assisted content production, but also AI-based autonomous content production seems feasible.

In principle, every generative model has a bias that is based on the bias of the training data. Therefore, it is important for users in the European Union to have access to GenAI models which are based on trusted and high-quality sources and training data which reflect national and European values and principles. Biased GenAI models which are

not based on trusted and high-quality sources are especially problematic when users rely more and more on AI answers and are not offered the full diversity of content.

We already notice the emergence of so-called “AI answering machines” where the user asks the platform to give some information or news and the AI generates answers without even offering public service content. This might not only lead to a further rise in fake news and disinformation but also poses questions with respect to media pluralism. If AI answers take over the function of search engines, then it is all the more important that they also link the content with which they have been trained without discrimination or otherwise make it easily findable.

Furthermore, when AI scraped data of public service media for training purposes, it is important, that the output of GenAI also links to the most relevant used content (similarly to search engines) and especially does not preference only content of business users which paid for this kind of preference. It is important to ensure that trusted public service content is still to be found and seen.

**1) What are the main components (i.e., inputs) necessary to build, train, deploy and distribute generative AI systems? Please explain the importance of these components**

The main components are access to data, computing power requirements to train and maintain GenAI tools, capital requirements given the extremely high costs for training and operating GenAI tools as well as network and platform effects as those companies having access to their different networks and platforms have an invaluable advantage to distribute GenAI models on their networks/platforms.

**2) What are the main barriers to entry and expansion for the provision, distribution or integration of generative AI systems and/or components, including AI models? Please indicate to which components they relate.**

One of the most important barriers to entry and expansion of GenAI in Europe are computing power requirements, because most European companies do not have access to the massive computing resources needed for training and maintaining GenAI tools nor do they have the required capital for such substantial financial investments.

Also, smaller providers might not have the opportunity to enter into license models with the content providers who place their content under reservation of use. This is reinforced by the fact that the big GenAI providers have already trained their AI tools before the reservation of use became a reality in practice, while the smaller providers are now too late.

**3) What are the main drivers of competition (i.e., the elements that make a company a successful player) for the provision, distribution or integration of generative AI systems and/or components, including AI models?**

Providers of GenAI models which are also big tech companies with access to a vast network of online platforms will be able to successfully roll out their GenAI tools using the network and platform effects.

From ARD's perspective it is important that generative AI models must protect the company's data, be able to be operated on premise if necessary and be adapted to the industry (e.g. media).

**4) Which competition issues will likely emerge for the provision, distribution or integration of generative AI systems and/or components, including AI models? Please indicate to which components they relate.**

We can already observe that, although there are in principle a lot of GenAI models/systems on the market, only a few very powerful companies have the potential to drive their GenAI tools to success. In other words, the monopolization of computational power and the lack of financial investment might lead to important gatekeeping positions, hampering true competition to the detriment for consumers.

In the media sector, monopolisation tendencies with GenAI tools pose particular risks: If such tools are also used by media companies to create content and only a few powerful tools are available at the same time, there is a risk of standardisation of content to the detriment of media diversity, without this being recognisable to users and without media concentration law being able to counteract this.

**5) How will generative AI systems and/or components, including AI models likely be monetised, and which components will likely capture most of this monetization?**

**6) Do open-source generative AI systems and/or components, including AI models compete effectively with proprietary AI generative systems and/or components? Please elaborate on your answer.**

**7) What is the role of data and what are its relevant characteristics for the provision of generative AI systems and/or components, including AI models?**

Data are at the very heart of every GenAI tool. The AI model can only be as good as the data it was trained with. As explained above, in principle, every generative model has a bias that is based on the bias of the training data. Therefore, it is important for users in the European Union to have access to GenAI models which are based on trusted and high-quality sources and training data which reflect national and European values and principles. Biased GenAI models which are not based on trusted and high-quality sources are especially problematic when users rely more and more on AI answers and are not offered the full diversity of content.

- 8) What is the role of interoperability in the provision of generative AI systems and/or components, including AI models? Is the lack of interoperability between components a risk to effective competition?**
- 9) Do the vertically integrated companies, which provide several components along the value chain of generative AI systems (including user facing applications and plug-ins), enjoy an advantage compared to other companies? Please elaborate on your answer.**
- 10) What is the rationale of the investments and/or acquisitions of large companies in small providers of generative AI systems and/or components, including AI models? How will they affect competition?**
- 11) Do you expect the emergence of generative AI systems and/or components, including AI models to trigger the need to adapt EU legal antitrust concepts?**
- 12) Do you expect the emergence of generative AI systems to trigger the need to adapt EU antitrust investigation tools and practices?**