

Exhibit B

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF COLUMBIA

CIVIL ACTION NUMBER: 1:21-cv-02886-FYP

UNITED STATES OF AMERICA,
Plaintiff,

vs.

BERTELSMANN SE & Co. KGaA, PENGUIN
RANDOM HOUSE, LLC, et al.,
Defendants.

VIDEO DEPOSITION TESTIMONY OF

NICHOLAS HILL

FRIDAY, JULY 1, 2022

9:14 A.M.

COURT REPORTER:

MELANIE PETIX BEASLEY, CCR

JOB No. 5282164

1 mechanisms.

2 Q. Were you aware of the GUPPI model
3 before your reply report?

4 A. I was aware that CRA had presented
5 it and that they had a white paper, but I
6 had not considered it particularly beyond
7 that.

8 Q. So you just decided to include the
9 GUPPI model in response to Dr. Snider's
10 criticisms of your second score approach?

11 A. Right. Again, I think that the
12 second score auction model is a reasonable
13 way to estimate the loss of competition. He
14 disagrees and so I looked for another
15 alternative.

16 Q. Have you -- would you agree that
17 the model, the second score model is set up
18 in a way that absent efficiencies, it will
19 always show harm when two merging parties
20 merge?

21 A. I would say that it is like
22 Bertrand model or other economic models. It
23 will show an effect, and the size of the

1 modifications to them?

2 A. Other than changing the inputs to
3 be the more updated estimates of margins and
4 diversions.

5 Q. Did the Defendants' GUPPI use the
6 same advance cutoff or a different one?

7 A. I don't know.

8 Q. Why didn't you run the GUPPI in
9 conjunction with your second score model?

10 A. When you say in conjunction, do
11 you mean why didn't I put it in my initial
12 report?

13 Q. Yes.

14 A. So I think that the second score
15 auction model is a reasonable way to
16 approach this. Dr. Snyder criticized me for
17 not looking at other mechanisms. And the --
18 the GUPPI model was derived by the parties
19 looked at different mechanisms. As I said,
20 I also tried at first to price auction and
21 it -- it didn't -- it didn't end up working.

22 Q. You -- let's look at Figure 22 in
23 your reply report. It's on Page 44.