

FairSearch Europe Initial View:
Google's Proposed Commitments are Worse than Nothing
This is a statement from Thomas Vinje, FairSearch Europe Legal Counsel

5 February 2014 – Brussels –The European Commission has tentatively accepted a proposal by Google which is worse than doing nothing. These proposed commitments have not been subjected to any form of consultation, although it was thanks to market testing of industry participants that the Commission had condemned two previous packages of proposed commitments as fatally flawed.

FairSearch Europe needs to examine this proposal in detail, but our concern is that the proposed commitments lock in discrimination and raise rivals' costs instead of solving the problem of Google's anti-competitive practices.

Google now holds a 95 percent market share of search across the European Union and gives preferential treatment to its own services, which damages competition and gives consumers less choice.

The Google proposal requires rivals to pay Google for placement similar to that of Google's own material, undercutting the ability of other to compete and provide consumer choice. This will be done through an auction mechanism that requires participating companies to hand the vast majority of their profits to Google.

FairSearch's position is that given the broad impact of such a settlement on consumers, competitors, innovation and Europe's digital economy, it is vital that the latest package of Google's proposed commitments be subject to a broad a consultation of stakeholders. Sadly, this does not seem to be the case.

It was thanks to such market testing that the two previous series of Google proposed commitments were demonstrated to be fatally flawed as mechanisms to restore competition to search.

Representing the diverse components of the search market, FairSearch is committed to working with the Commission in any way possible to identify effective solutions that restore competition to the search markets. In the two previous consultations, FairSearch and its members provided concrete evidence that Google's proposed commitments did not deliver the improvements in competition that they were theoretically designed to achieve. That evidence was gained through actual testing of the proposals, and this third package should be subject to the same broad and concrete vetting by those who understand the industry by participating in it.

For more Information:

- David Lawsky, david.lawsky@fipra.com, +1 510 847 5979
- Furby, daniel.furby@fipra.com, +322 613 2840, mobile +32 497 573 453
- secretariat@fairsearcheurope.org