DOJ, FTC in talks with U.K. over Facebook, Google probes

By Leah Nylen 07/09/2020 01:18 PM EDT

U.S. antitrust authorities investigating Google and Facebook are talking to their U.K. counterparts in the wake of a <u>major report</u> last week that calls for a new regulatory regime to rein in dominant tech giants.

Simeon Thornton, director at the U.K.'s Competition and Markets Authority who headed up the agency's market study into online advertising, said his group has spoken to the U.S. DOJ, FTC and state attorneys general in the week since the study's publication. He declined to go into detail on the talks, but said the CMA shared its findings on Google and Facebook's market power and views on potential remedies.

"These concerns are global in nature and we all have a mutual interest in having consistent views on the appropriate approach," Thornton said during a webinar hosted by the Omidyar Network, a foundation funded by eBay's co-founder that has advocated for U.S. antitrust cases against Google and Facebook.

The highlights: The CMA's 400-page report — the product of a yearlong investigation — found that Google and Facebook take in about 80 percent of the £14 billion spent on digital advertising in the U.K. The companies' large user bases and access to user data combined with their presence across many different markets and the use of default settings have made it "extremely difficult" for rivals to compete. The agency called for the creation of a new Digital Markets Unit with the power to break up companies or impose fines and enforce a code of conduct against exploitative or exclusionary practices.

The DOJ and a group of state attorneys general have been probing Google's dominance in online advertising and search since September. The FTC and some states are separately looking into Facebook and how it has amassed user data through acquisitions and changes to its privacy practices while also shutting off rivals' access to its platform.

What's next: The U.K. agency is moving on to <u>other platforms</u>, particularly app stores and ecommerce. Simeon said they expect to have a report in six months that will likely focus on how companies such as Apple, Microsoft and Amazon use data and whether additional regulations are needed.

In the U.S., the Google and Facebook antitrust probes are ongoing, though the agencies have said little publicly. Sharis Pozen, a lawyer who is representing third parties in those probes, said there has been "deafening silence" from the FTC and DOJ.

"What we've had in the United States is a lot of saber-rattling," said Pozen, who served as the DOJ's top antitrust official during the early Obama administration.

Pozen said third parties such as her clients have been swamped with requests for information from regulators around the world, but have begun to question whether it's worth the effort in

the U.S. given the inaction so far.

You "have to show a little bit of leg ... so third parties actually believe something is going to happen and there's good intent," she said.

To view online: <u>https://subscriber.politicopro.com/tech/whiteboard/2020/07/doj-ftc-in-talks-with-uk-over-facebook-google-probes-3982351</u>

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