

Orange 'forces Google' to pay for mobile traffic

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People are seen in an Orange store on July 19, 2012 in Paris. The head of Orange said the company had been able to impose a deal on Google for generating vast amounts of traffic on its telecoms networks.

The head of French telecoms operator Orange said on Wednesday it had been able to impose a deal on Google to compensate it for the vast amounts of traffic sent across its networks.

Orange CEO Stephane Richard said on France's BFM Business TV that with 230 million clients and areas where Google could not get around its network, it had been able to reach a "balance of forces" with the Internet search giant.

Richard declined to cite the figure Google had paid Orange, but said the situation showed the importance of reaching a critical size in business.

Network operators have been fuming for years that Google, with its search engine and You Tube [video service](#), generates huge amounts of traffic but does not compensate them for using their networks.

Richard put Google traffic over Orange's [Internet networks](#) at around 50 percent.

"That is to say an important part of traffic is generated by a big transmitter like Google, which is the subject of a discussion concerning a form of compensation for the volume of traffic," he said.

The Orange chief executive said that Internet companies and network operators were interdependent and criticised a recent controversial move by a French competitor, Free.

Free blocked [Internet ads](#), drawing strident protest from websites reliant on advertising that the move would kill their business model, until the French government ordered it stop the practice.



Orange-France Telecom CEO Stephane Richard seen on November 21, 2012 in Paris. Richard says it has been able to impose a deal on Google to compensate it for the vast amounts of traffic sent across its networks.

Google has also been faced with demands for compensation from content providers such as newspapers, who charge the search giant makes lots of [advertising revenue](#) from referencing their material.

France and Germany are considering imposing compensation schemes on Google as the company has refused to reach any deal with [media outlets](#).

French President Francois Hollande warned Google on Wednesday that his government would legislate a so-called Google tax if the company doesn't reach a deal with French media companies.

He said "those who make a profit from the information" produced by

media companies should participate in their financing.

After [Google](#) and French media failed to reach a deal following a month of talks the French government extended a deadline for a settlement to the end of January.

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