

Google grilled in Congress: What's ahead for tech companies

December 12 2018, by Barbara Ortutay, Michael Liedtke And Marcy Gordon





U.S. lawmakers' grilling of Google CEO Sundar Pichai may have sounded like a broken record, but it amplified the prickly issues facing tech companies as Democrats prepare to take control of the House next month.

The 3 1/2-hour hearing Tuesday hit upon familiar themes—online privacy, data protection and the danger of digital monopolies—that are poised to come into even sharper focus next year.

Here are some of the hurdles that Google parent Alphabet Inc., Facebook, Amazon and other <u>tech companies</u> are likely to face when the 116th Congress convenes.

USER PRIVACY

Looming over the tech industry is the possibility of government regulation intended to protect people's data. One model for lawmakers may be Europe, where new rules governing data and privacy went into effect this year.

Rep. Ted Poe, R-Texas, tried to pin down Pichai on privacy during Tuesday's hearing. "I've got an iPhone," Poe said, waving his device. "Can Google track me when I move?" If he moved to the left toward his Democratic colleagues on the panel, would Google know?

"Not by default," Pichai answered. Poe demanded a yes or no answer, but Pichai indicated it was complicated.

Other lawmakers questioned whether regular people know how much data Google can collect about them and how to stop being tracked. Privacy, of course, is also a huge issue for Facebook, which has spent



nearly a year trying to recover from the Cambridge Analytica data mining scandal.



Roger Stone, a confidant of President Donald Trump, enters the House Judiciary Committee hearing room to hear testimony by Google CEO Sundar Pichai, on Capitol Hill in Washington, Tuesday, Dec. 11, 2018. (AP Photo/J. Scott Applewhite)

SEARCHING FOR BIAS

Lawmakers from both parties seem determined to re-examine whether Google rigs its <u>search results</u> to promote its own services and its own



political agenda, too. President Donald Trump also has complained about the issue (without evidence).

European regulators already have concluded Google manipulated its search engine to gain an unfair advantage over other online shopping sites in the lucrative e-commerce market, and fined the company \$2.8 billion. Google disputes those findings and is still appealing the decision reached in 2017.

The U.S. Federal Trade Commission opened a similar investigation into Google's business practices in 2011. That probe concluded 19 months later without finding any serious misconduct and didn't require any meaningful changes to how the company operates. But internal documents later surfaced that indicated the FTC's board had brushed off some recommendations of staff lawyers who believed Google was tinkering with its search results in way that stifled competition.

U.S. Rep. David Cicilline, a Democrat from Rhode Island, told Pichai he intended to work with the FTC to draw up a regulatory framework to prevent Google from throttling its rivals through its search engine, which handles two out of every three queries in the U.S.





Rep. Jerrold Nadler, D-N.Y., the top Democrat on the House Judiciary Committee, arrives for the testimony of Google CEO Sundar Pichai about the internet giant's privacy security and data collection, on Capitol Hill in Washington, Tuesday, Dec. 11, 2018. Nadler is the incoming chairman of the Judiciary panel when the Domocrats take over the majority role in January. (AP Photo/J. Scott Applewhite)

Numerous lawmakers also asserted that Google uses its search engine as a propaganda machine that highlights news and opinions supporting its own view of how the world should be. The prevailing consensus so far is that the alleged bias most frequently falls on the left-leaning side of most debates, although that pendulum could swing now that Democrats will be the majority party in the House.

But drawing up regulations governing that area of search results would be more likely to raise First Amendment issues, making them even more difficult to impose.



CHINA

Lawmakers on both sides peppered Pichai with questions about the possibility that Google is considering offering a censored search engine in China after pulling out of that country in 2010 in a high-profile dispute with its communist government's policies.

It's not clear what Congress might be able to do to prevent Google from returning to China, but it would certainly trigger more political fireworks.



Roger Stone, a confidant of President Donald Trump, left, and radio show host and conspiracy theorist Alex Jones, right, enter the House Judiciary Committee hearing room to hear testimony by Google CEO Sundar Pichai, on Capitol Hill in Washington, Tuesday, Dec. 11, 2018. (AP Photo/J. Scott Applewhite)



Pichai acknowledged Google has been exploring a possible search engine in China with a team of engineers that at times has exceeded 100 people, but repeatedly emphasized the company has no plans to release it "right now." If that changes, Pichai promised let lawmakers know about it.

ELECTION INTERFERENCE

While Republicans on the House Judiciary Committee grilled Pichai on what they perceive as bias against conservatives, top committee Democrat Jerrold Nadler said lawmakers should instead examine issues such as the spread of misinformation online and Russian efforts to influence U.S. elections online.

Given Democrats are poised to take over the House, the use of fake news and misinformation by foreign actors—especially Russia—will likely to continue to be front and center in the coming months, if not years.





House Majority Leader Kevin McCarthy, R-Calif., left, talks with Rep. Jim Jordan, R-Ohio, before the House Judiciary Committee questions Google CEO Sundar Pichai about the internet giant's privacy security and data collection, on Capitol Hill in Washington, Tuesday, Dec. 11, 2018. McCarthy made an opening statement before Pichai appeared. (AP Photo/J. Scott Applewhite)

BREAKING UP IS HARD TO DO

Governments around the world are becoming increasingly unnerved by the power being amassed by major technology companies—with the dominance of Facebook in social networking, Google in search and Amazon in e-commerce raising the most concerns.

That has raised the specter that Trump and Congress might turn up the heat on antitrust regulators to get them to investigate whether consumers and the economy as a whole need to be protected from those companies.



In the most dramatic scenario, a case might be made for breaking the companies into smaller pieces. The premise would be that they have become modern-day trusts similar to what John Rockefeller built through Standard Oil, before the U.S. Supreme Court required it to be dismantled in a 1911 decision that reshaped the business landscape.



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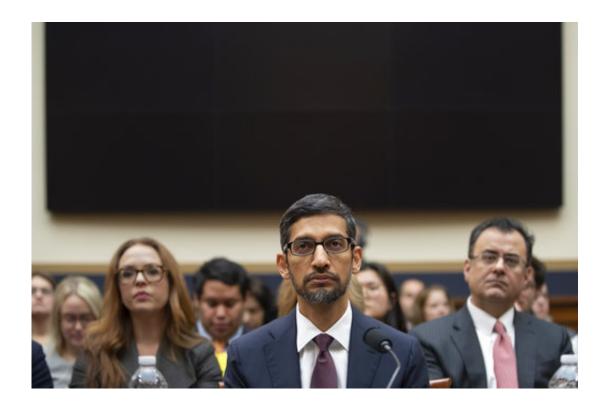
























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