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Name of Cabinet Member: Kristian Hedberg
Name of the Director who has cleared the briefing: Hubert Gambs
BASIS request ID: CAB BIENKOWSKA/935
Room, time: BERL, 12:00
Participants: Kristian Hedberg
Name of main contact person: [redacted]
Telephone number: [redacted]
Directorate/Unit: GROW E4

MINI BRIEFING NOTE (MAX 2 PAGES)

Scene setter/Context of the meeting/ Objective of the meeting:

You are meeting [redacted], Google's Senior Director of Public Policy & Government Relations for Europe. The meeting will focus on B2B relations on online platforms and platforms' impact on the economy. GROW services met with [redacted], VP's Head of Search on the topic in April 2017, as well as other Google representatives in the framework of the B2B on online platforms fact-finding.

Google is in favour of a light touch approach based on self-regulation, which would allow industry to find solutions to issues such as illegal content and potential unfair trading practices. This meeting should allow you to present GROW's ongoing work and test Google's reaction to the options considered.

KEY messages

- On B2B relations on online platforms: Online platforms are powerful enablers for growth and cross-border trade, but certain trading practices negatively impact business users of platforms. For instance businesses sometimes lack clarity on how platforms allocate spots in paid-for search results, on the reasons for delisting, and are unable to obtain redress in case of problems.

- We are working on an impact assessment to determine if and how to tackle these practices, while ensuring fairness and safeguarding the positive impact of platforms on the economy and innovation.

- On illegal content: The Commission plans to consolidate the existing dialogues with online platforms, focussing on the effective removal of illegal content, while ensuring that legal content remains online and avoiding over-removal.

- A guidance document outlining what online platforms should do under their Duty of Care is planned for late September [to be updated after adoption], and might be followed by legal measures.

- Finally on the data economy: the guiding principle should be free movement of data within the EU. If data can be stored and processed anywhere within the EU, the move would boost the commitment to achieve a true Digital Single Market.

- The proposal on free flow of data aims to prohibit any data localisation requirements, unless it is justified on grounds of public security.

Question for the interlocutor:

- *How does Google deal with problems with its business users? What internal options are available for redress, and what is the cost of internal redress for Google?*

- *What are Google's future plans regarding online platforms?*

Defensives / Q&A

Will the Commission revise the E-commerce Directive as a follow-up to the Communication on illegal content?

The Commission is currently carrying out an impact assessment to determine what the most appropriate follow-up to the Communication is. The impact assessment will examine all options and no decision has been taken at this stage.

Background information

Founded in 1998, Google is a technology company that leads among others in the online advertising, search and mobile software markets. In 2015, its mobile operating system Android was used on 68% of EU smartphones, and generated over 50% of smartphone revenue. Google accounted for over 30% of all net digital ad revenue worldwide in 2016. Google is also active in social media and content sharing through Google + and Youtube.

Google is interested in the initiative on B2B relations on online platforms, and is in favour of a self-regulatory approach. Google considers itself to be transparent with its business users, including on key issues such as criteria used for ranking search results and changes to terms and conditions. However in workshops and individual meetings, business users expressed frustration with Google's lack of transparency on the impact of its advertising placements. The impact assessment will be finalised in November with a view to adopting a legislative proposal in early 2018.

Google supports the Commission's work on illegal content, and is keen to emphasize that it complies with existing legislation. Google is a key player for online search as it accounted for over 90% of the search engine market in 2016. The Communication on Illegal Content is planned to be adopted on 27 September. An impact assessment (ongoing) will determine whether follow-up action is needed.

On data, Google is in favour of broad access to data and sees portability as an important aspect of an open internet. The Digital Single Market Mid-Term Review announced a legislative proposal on the EU free flow of data cooperation framework, subject to an impact assessment. 62% of 299

respondents in the public consultation are in favour of removing data localisation restrictions within the EU.