

# Bipartisan act could (eventually) lead to the end of Google as we know it

Article

**The news:** If enacted, a bipartisan bill targeting **Google** would compel the company to divide up its digital advertising business.

- The **Competition and Transparency in Digital Advertising Act** was introduced last Thursday —something we had [reported on earlier this month](#)—by a bipartisan group of US senators.
- Sens. **Mike Lee** (R-Utah) and **Amy Klobuchar** (D-Minn), ranking member and chair of the Judiciary subcommittee on antitrust, introduced the bill with Sens. **Ted Cruz** (R-Texas), and **Richard Blumenthal** (D-Conn).

**More on this:** The measure would prohibit corporations that handle more than \$20 billion in digital ad transactions yearly from engaging in more than one aspect of the digital advertising process.

- Google is involved in several stages of the digital ad ecosystem: It hosts an auction (exchange) where ads are purchased and offers tools to assist brands and agencies in selling and buying advertising.
- If the proposed legislation passes, the company will have to decide which portion of the business to stay in.
- Critics for years have said that Google has an unfair advantage in both running an exchange as well as serving as both a buyer and seller of advertising. The company has been accused of using its power to manipulate the ad market to its advantage, which Google denies but faces difficulty proving.

**Trouble in Europe:** The new US proposal is not the only antitrust action Google has contended with recently.

- Antitrust regulators in the European Union and UK are [investigating Google and Meta's 2018 "Jedi Blue" deal](#), which allegedly gave Meta preferential access to Google's ad bidding system and was used to block ad tech rivals.
- The company recently [lost an appeal](#) pushing back against a €150 million (\$177 million) fine from a French antitrust authority alleging the search leader treated advertisers on its platform unfairly.
- Repeated infractions against the EU's new Digital Markets Act could, in theory, cost Google [as much as \\$51 billion](#).

**How consumers feel:** Many consumers are cynical about Big Tech.

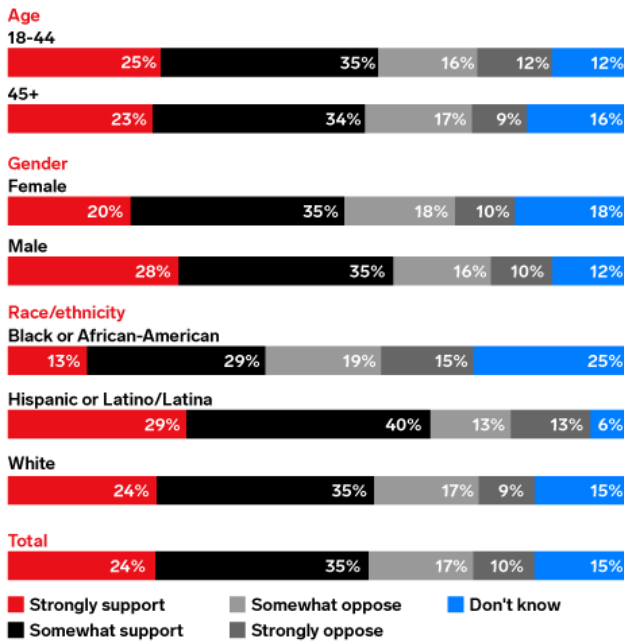
- Gallup asked US adults their views of Big Tech in August 2019 and February 2021. The groups that held a “very positive” or “somewhat positive” view of Big Tech shrank in 2021 vs. 2019,

while those with “very negative” views **spiked to 22%** vs. just 10% in 2019.

- More than half of consumers strongly or somewhat support Big Tech being broken up, per Vox/Data for Progress data from early last year.

### US Adults Who Support Proposals for the Federal Government to Break Up Big Tech Companies, by Demographic, Jan 2021

% of respondents in each group



Note: n=1,164 likely voters ages 18+  
Source: Vox survey conducted by Data for Progress, Jan 26, 2021

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**Will it happen?** The bill's coalition demonstrates that support for antitrust reform to rein in tech dominance extends across ideological lines. That doesn't mean the measure is a shoo-in to get enacted.

- That said, there are signs that Google's growth strategy has to constantly factor in assuaging antitrust concerns. Late last year, Google announced it would be **moving to a first-price auction model** for some AdSense categories, after facing criticism that its second-price auctions gave it an unfair advantage over other exchanges.
- Google is also **piloting a program** for alternative payment methods that would allow some apps to bypass its existing payment systems, undercutting its own ability to maximize commissions on such sales.

**The big takeaway:** While this act may not become law, it could be one more thing that leads to eventual regulation. There may not be anything Google can do to stop anti-monopolistic regulation from becoming reality; it may just be a matter of when.