Statement of

The Honorable Herb Kohl

United States Senator
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Today our Subcommittee meets to consider an issue that affects everyone who searches or does business over the Internet - in other words, almost everybody. We will examine how the world's dominant Internet search engine - Google - presents its search results to consumers and treats the businesses it competes with. Our inquiry centers on whether Google biases these results in its favor, as its critics charge, or whether Google simply does its best to present results in a manner which best serves consumers, as it claims.

At the outset I wish to stress that I come to this hearing with an entirely open mind and without any pre-judgment of these issues. My goal is to provide both Google and its critics with a forum to air their views. In examining these issues, we recognize the incredible technological achievements of Google and the need to avoid stifling its creative energy. At the same time, we need to be mindful of the hundreds of thousands of businesses that depend on Google to grow and prosper. We also need to recognize that, as the dominant firm in Internet search, Google has special obligations under antitrust law to not deploy its market power to squelch competition.

There can be no question of the astounding achievements of Google's search engine. Through the magic of its search technology, Google - a company literally started in a garage by two Stanford students less than 15 years ago - has done nothing less than organize all of the billions of Internet web pages into an easily accessible listing on the computer screen. Sixty-five to 70% of all US Internet searches on computers, and 95% on mobile devices, are done on Google's search engine. Millions of people everyday run Google searches to find out the answer to nearly every question imaginable, including for the best and cheapest products and services, from electronics to clothing to hotels to restaurants, to give just a few examples. And businesses equally rely on Google to find customers.

The basic premise of Google at its founding was that it would build an unbiased search engine -- that consumers would see the most relevant search result first, and that the search results would not be influenced by the web page's commercial relationship with Google. Its goal was to get the user off Google's home page and on to the websites it lists as soon as possible. As Google's co-founder and current CEO Larry Page said in 2004, "We want you to come to Google and quickly find what you want. Then we're happy to send you to the other sites. In fact, that's the point."

However, as Internet search has become a major channel of e-commerce, Google has grown ever more dominant and powerful, and it appears its mission has changed. For the last five years or so, Google has been on an acquisition binge, acquiring dozens of Internet-related businesses, culminating most recently with its proposed acquisitions of Motorola Mobility and Zagats. It now owns numerous Internet businesses, including in health, finance, travel, and product comparison. This has transformed Google from a mere search engine into a major Internet conglomerate. And these acquisitions raise a very fundamental question -- is it possible for Google to be both an unbiased search engine and at the same time own a vast portfolio of web-based products and services? Does Google's transformation create an inherent conflict of interest which threatens to stifle competition?

In the last few years, Internet businesses that compete with Google's new products and services have complained that Google is now behaving in a way contrary to free and fair competition. They allege that Google is trying to leverage its dominance in Internet search into key areas of Internet commerce where it stands to capture from its competitors billions of dollars in advertising revenue. Rather than fairly presenting search results, these critics claim that Google has begun to subtlety bias its search results in favor of its own services. This conduct has the potential to substantially harm competition for commerce on the Internet, and retard innovation by companies that fear the market power of Google.

Antitrust scrutiny is not about picking winners and losers, but is about fostering a fully competitive environment so that consumers can fairly pick winners and losers. As more and more of our commerce moves to the Internet, it should be the highest priority of antitrust policymakers that the Internet remains a bastion of open and free competition as it has been since its founding. We need to protect the ability of the next Google to emerge, the next great website or application being developed in a garage in Silicon Valley or Madison, Wisconsin.

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