

## Google has spent millions wooing friends in D.C. — but will they save them in an antitrust fight?

*Years of efforts to build alliances in the capital could feel a strain because of personnel gaps in Washington and recent friction with Congress.*

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Google has spent the past decade amassing a vast influence network in Washington — an army of potential allies it could soon need to activate as lawmakers and regulators ramp up the threat of antitrust probes of the company.

The search giant has poured millions of dollars into building an array of lobbyists, think tanks and trade groups in what amounts to one of most comprehensive D.C. operations of any corporation in the country. The company shelled out \$21.2 million to lobby the federal government last year and gives money to hundreds of associations and policy organizations in Washington, as well as major political players on both the left and right.

That cavalry has yet to arrive, despite Friday's revelation that the Justice Department has taken early steps toward an antitrust investigation, as well as Monday's announcement of a congressional antitrust probe launched by House Democrats into the tech industry writ large. Google has also shown turnover in its D.C. influence operation of late, amid a reshuffling of its Washington policy office and recent behavior that has annoyed key lawmakers in Congress.

Still, even some of Google's toughest critics expect the company to have plenty of allies to draw on if it needs them for an antitrust battle.

"Throw a rock in any direction in Washington, D.C., and you're likely to hit somebody on Google's payroll," said Luther Lowe, vice president of public policy at Yelp, Google's chief antagonist in the U.S. and Europe. "No doubt they're going to mobilize those individuals now."

Google declined to comment.

Until last week's news of heightened DOJ interest arrived, the company had invested much of its time on the Federal Trade Commission, an agency that had closed an antitrust investigation of the search giant during the Obama administration without bringing any charges. Google has spent years since cultivating ties with the commission — including, as POLITICO reported last year, making aggressive efforts to reach out to President Donald Trump's slate of nominees.

But now it appears that any antitrust fight would be with Trump's Justice Department, which has already taken on one big corporate battle with its unsuccessful legal fight to prevent AT&T from merging with Time Warner.

DOJ has proven tougher on Google than the FTC has been, industry observers say: The Justice Department imposed conditions on Google's acquisition of the flight search software maker ITA in 2011 to leave room for competitors, and it threatened an antitrust lawsuit that prompted Google and Yahoo to abandon an advertising agreement in 2008.

This time, if DOJ's initial inquiry into Google yields a full-blown antitrust probe, it could threaten hefty fines or even structural changes to the company.

Congress is becoming more hostile territory for Google as well, despite its history of generosity to both major parties.

The company has repeatedly irked lawmakers in recent years, for instance by refusing to send a high-level executive to a Senate Intelligence hearing on Russian election interference last fall, even as fellow tech giants like Facebook and Twitter sent top leaders. The GOP-led panel pointedly left an empty chair designated for Google at the witness table, one that could have been filled by CEO Sundar Pichai or Larry Page, chief executive of parent company Alphabet.

The company also departed from other tech companies — notably Facebook — in refusing to endorse bipartisan legislation last year that toughened the liability standards for internet companies that allow online sex trafficking. Google said the new law could lead to further restrictions that would threaten the openness of the internet.

Republicans frequently take swipes at Google as well, alleging that the company's search results favor negative information about conservatives. President Donald Trump has joined the bias complaints, at one point musing that the company, along with Facebook and Amazon, is in a "very antitrust situation."

Pichai sought to mend fences by meeting with Trump at the White House in March, after the Pentagon questioned the company's patriotism for pulling back from military contracts under pressure from the company's liberal workers.

As the pressure mounts, Google's Washington operation is in a state of flux. Karan Bhatia, a General Electric executive who joined the company nearly a year ago to oversee global policy, has been reshuffling the D.C. office, and a number of policy veterans have departed.

The Justice Department got dibs on Google as part of a divvying up of tech company oversight with the FTC. But with the exact nature of DOJ's plans unclear, Google may be waiting until the right moment to summon its influence army, said one person familiar with the company who requested anonymity to speak candidly about its strategy.

“If this is merely just a jump ball situation and there is no clear focus on the DOJ's part, then I think it might be too early for that kind of effort,” the person said.

But if an antitrust investigation takes hold, the person said, the company is likely to frame the issue as a troublesome government intervention in the free exchange of information. And that could give it some natural allies among groups suspicious of government regulation.

“They have friends when the stakes become, ‘Do you want the government regulating search results?’” the person said. “You don’t have to like everything the company does, but many people do not want the government in the business of regulating search results.”

Google has cultivated a lot of potential friends in Washington. It has showered money on an array of think tanks and advocacy groups from across the political spectrum, including the Cato Institute, American Conservative Union, Brookings Institution, Electronic Frontier Foundation and Human Rights Campaign.

The company has also built connections across the political spectrum through campaign donations, largely funneled through its political action committee. Google’s PAC has contributed more than \$2 million to members of Congress and their PACs since 2017, including more than \$230,000 so far this year. Google has funded both Democratic and Republican national political conventions, including the ones that nominated Trump and Hillary Clinton.

The company is even a “platinum sponsor” of the American Antitrust Institute, a nonprofit research and advocacy group that promotes competition. (The group’s president, Diana Moss, said no donor influences its policy or positions.)

NetChoice, one tech industry group that counts Google as a member, defended the company amid the reports of potential DOJ scrutiny, predicting this probe would fizzle as well.

"Back in 2013, the FTC looked at Google and realized that there's no 'there' there," said Carl Szabo, the group's general counsel. "So now I guess it's DOJ's turn to realize that there's no 'there' there."

As regulators sort out their plans behind the scenes, Google also faces the prospect of becoming a talking point — or a punching bag — in the Democratic presidential field. Sen. Elizabeth Warren (D-Mass.) has already pointed to Google as one of the big tech companies that regulators should dismantle because it has too much market power.

A Senate Democratic staffer who has dealt with Google said the company's long record in Washington — it was the first major internet company to open an office in D.C., back in 2005 — has taught it how to navigate the capital.

“They haven’t had quite the same learning curve because they’ve been around for a long time,” said the staffer, making a comparison with Facebook and Twitter. “They’ve tried very hard to avoid scrutiny.”