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Coalition fighting Google and Yahoo deal

US authorities urged to consider impact

by Katie Scott published on 12 May 2008

The deal was announced a month ago, but other companies have now started to realise the implications of the proposed ad-sharing deal with Google and Yahoo.

The US authorities are now being lobbied by a group of civil rights and rural advocacy bodies to investigate the "mega merger".

A group of 16 organisations are warning that everyone could suffer if the deal between Google and Yahoo is allowed to take place.

"We all suffer in such mega mergers", Gary Flowers of the Black Leadership Forum told BBC News.

At the moment, the US Justice Department is looking at the impact of a 2-week trial ad-sharing programme that the two companies took part in last month.

It is not commenting on the coalition's concerns.

But, in the meantime, Google and Yahoo are believed to be hammering out the details of the deal should they get the US approval they need.

And both companies are already trying to reassure the public that competitions issues will be addressed.

At a Google's shareholder meeting late last week, chairman Eric Schmidt said: "If there were a deal [with Yahoo], we would anticipate structuring the deal to address the anti-trust concerns that have been widely discussed".

But the coalition remains unconvinced.



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In a letter to assistant attorney general Thomas Barnett, head of the Justice Department's anti-trust division, the coalition claims that the deal would give Google almost 90% of the search advertising market and strengthen its influence over internet users' access to information.

"We face a possible future in which no content could be seamlessly accessed without Google's permission", the letter states.

Flowers added: "Google has already exhibited a pattern of violating privacy, engaging in anti-competitive conduct and using its monopoly power in the search market to drive internet users to its affiliated services and its viewpoints on policy matters".

"Any joint combination with Yahoo could dramatically worsen these problems."