



Colorado



New York



Alaska



Guam



Kansas



Minnesota



New Mexico



Oregon



South Dakota



West Virginia



Nebraska



North Carolina



Connecticut



Hawai'i



Maine



Nevada



North Dakota



Pennsylvania



Vermont



Wyoming



Arizona



Tennessee



Delaware



Idaho



Maryland



New Hampshire



Ohio



Puerto Rico



Virginia



Iowa



Utah



D.C.



Illinois



Massachusetts



New Jersey



Oklahoma



Rhode Island



Washington

State of Colorado, et al., v. Google LLC

Plaintiff Colorado States' Remedies Opening Statement

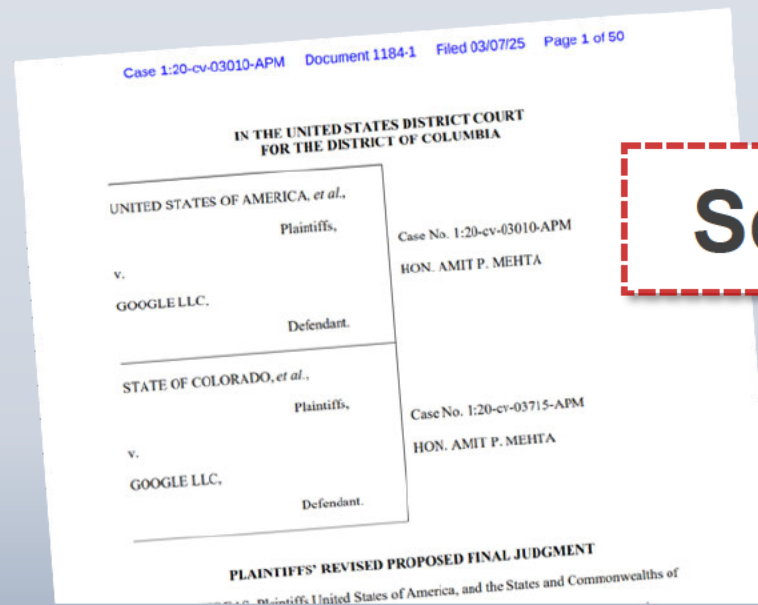
Roadmap

1. Specific Remedies

- a. **Chrome Divestiture: Getting It Done**
- b. **Public Education: Force Multiplier**
- c. **Contingent Structural Relief: Deterrence Now**

2. New Entry & The Competitive Process

Chrome Divestiture: Getting It Done



Section V. A.

David Locala – Expert in M&A and Tech

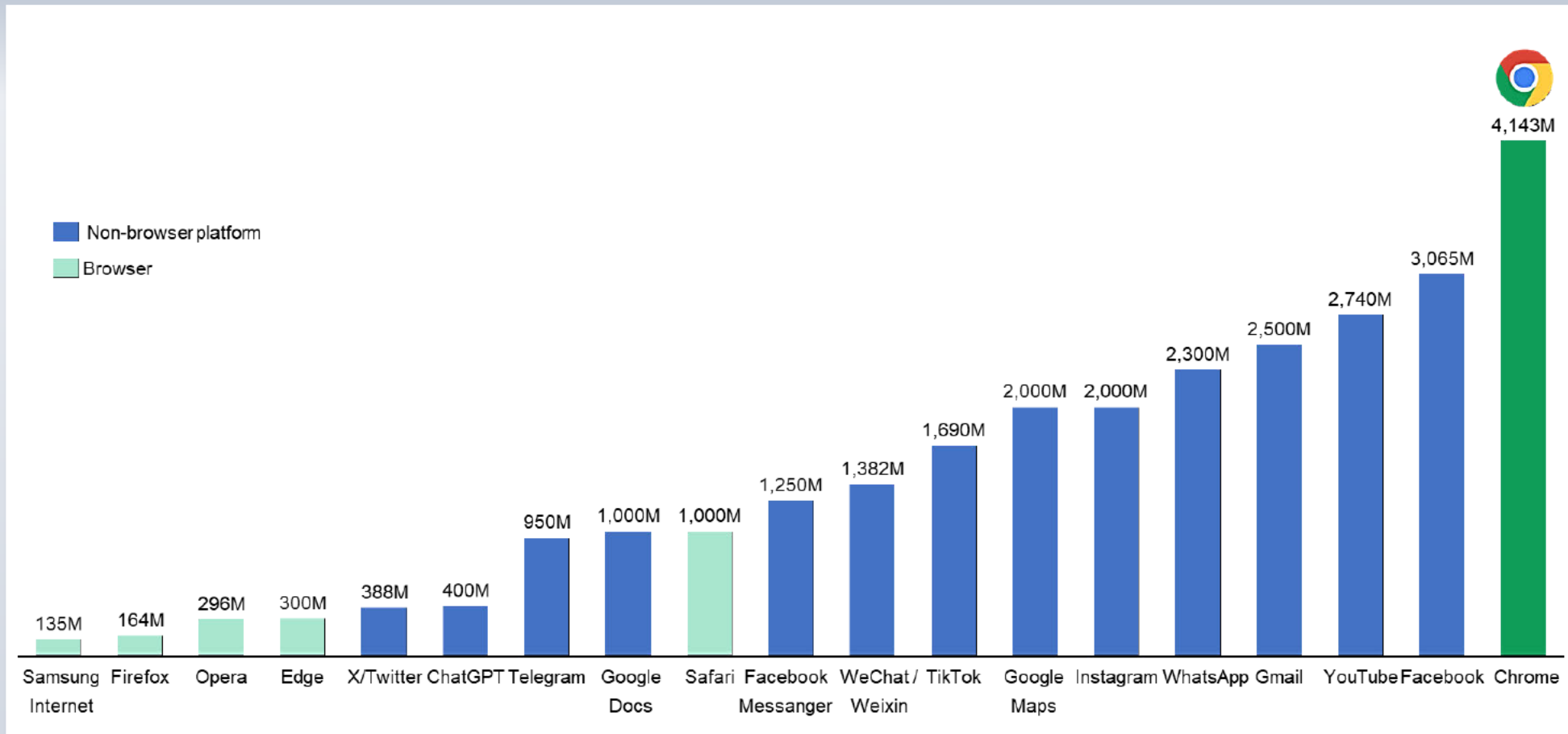
Conclusion 1: Chrome represents an attractive acquisition opportunity.

Conclusion 2: An independent Chrome would be financially viable.

Conclusion 3: Well-established framework for
tion.



Chrome is an Attractive Asset



Locala Figure VI.1

- **Over 4 billion Monthly Active Users**
- **Biggest browser globally**
- **Well-known product**

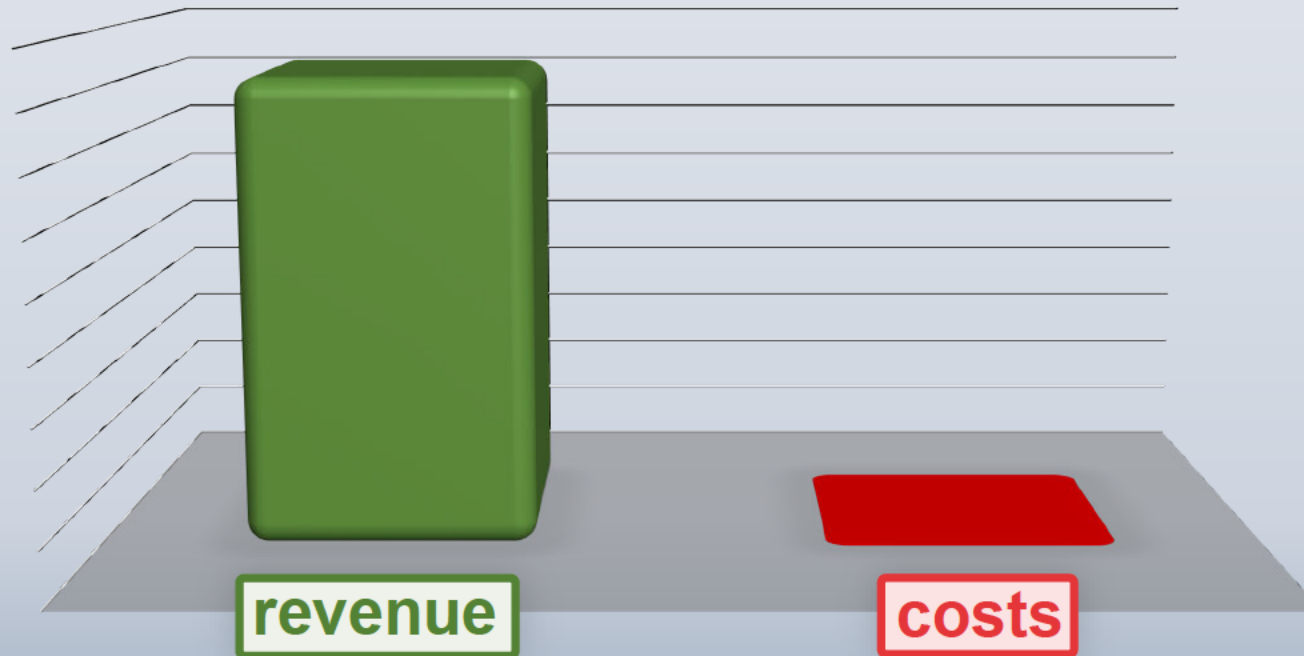
Potential Revenue Streams

In 2023, Google generated [REDACTED] of Search and Display Ads revenue from monetizing Chrome's 4.1 billion users.

(Locala Report at 40 (citing GOOG-DOJ-33799851 at -901))

In 2023, Chrome had [REDACTED] in costs.

(Locala Report at 44 citing GOOG-DOJ-33799851 at -862)



Major Potential Chrome Revenue Streams

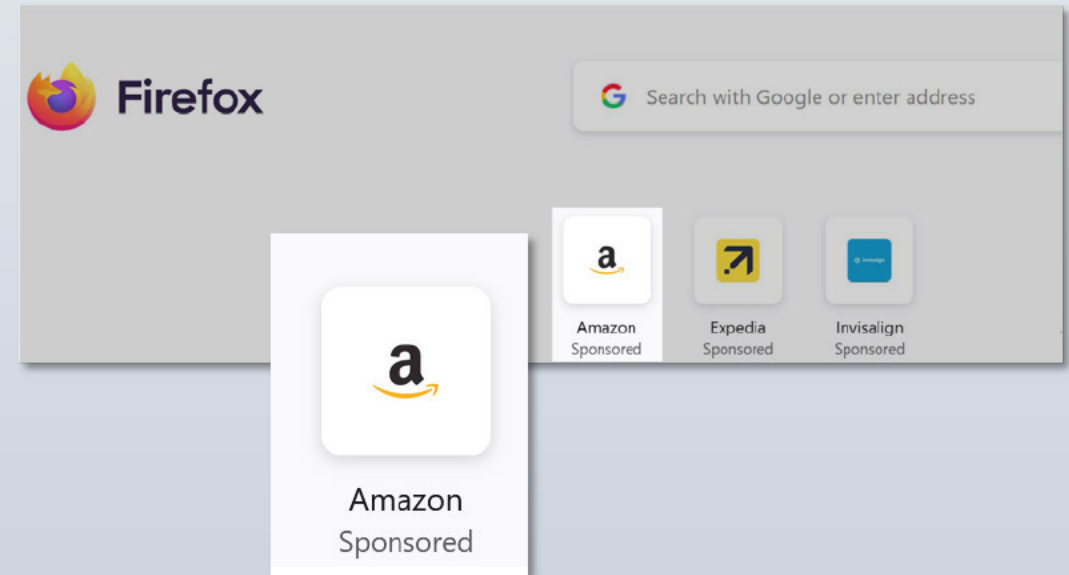
1 Search agreements

- Revenue sharing options within the US and outside the US (over ███% of Chrome)

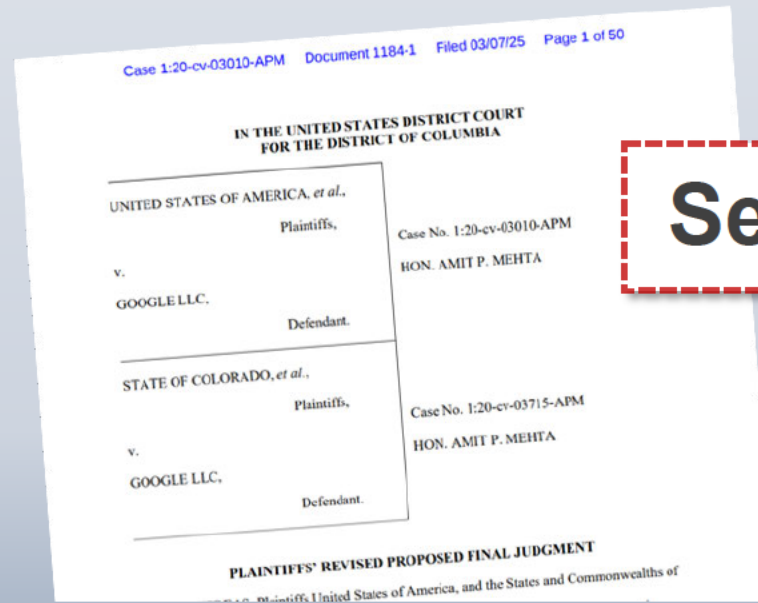
2 Display advertising

3 Distributing Gen AI

- Potential sources for future development



Public Education: Force Multiplier



Section IX. E.

General Search is an Experience Good

Brand Barrier, Habit and Now: Change

Public Education furthers choice

- 1. Well-designed information programs increase users' ability to choose**
- 2. Payments incentivize user experimentation**



Professor Michael Luca

Incentive Payments: The Importance of Experience

Reviewing literature, case studies & recent academic work

Payments to users under different scenarios led to significant increases in Bing's share

Users exposed to Bing had improved perceptions of its quality

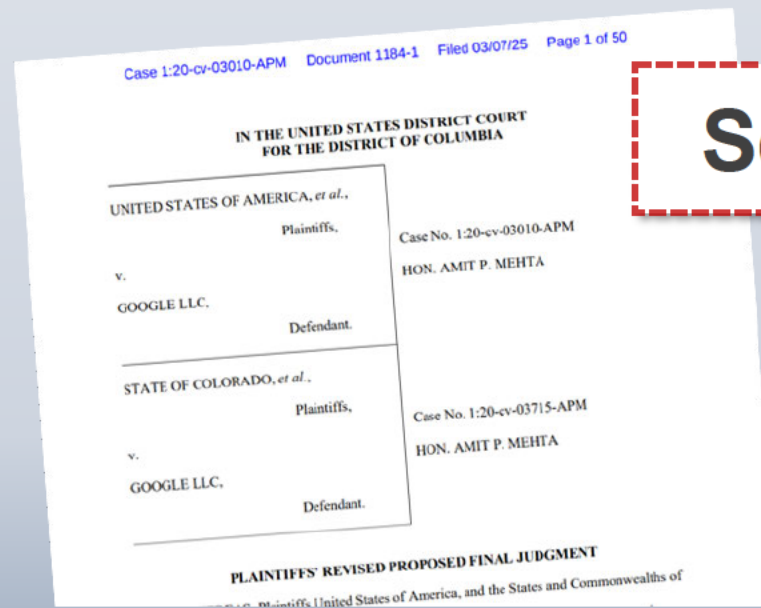
By contrast, lack of experience with Bing drove Google market share

Source: Luca Report p. 22-24, Fig. VII-1



Professor Michael Luca

Contingent Structural Relief: Deterrence Now



Section V. C.

Future, Contingent Divestiture

Five or more years from now...

“In the event the remedies in this Final Judgment prove insufficient to serve their intended purposes of restoring competition or if Google attempts to or is successful in circumventing these remedies, then the Court may impose additional structural relief.”

Section V.C.

Why now?

Deter Google from failing to fully execute the remedies by aligning Google’s economic incentives with full execution of the remedies package.

Incentive: The Importance of Android/Play Store

Google's "argument [that that the MADA's device-by-device optionality allows an OEM to choose either to preload Google's products on some or all of their devices] **overlooks the market reality that the Google Play Store is viewed by OEMs as essential to the Android customer experience.** As Microsoft CEO Satya Nadella put it, **without the Play Store, the 'phone is a brick.'**"

Mem. Op. p. 211

Android itself is an important source of revenue for Google Search -- which gives Google incentive to use Android in the future to protect monopoly profits – and thus an incentive to keep Android

New Entry & The Competitive Process

“Redressing [anticompetitive] harm by restoring conditions in which the competitive process is revived and any number of competitors may flourish (or not) based upon the merits of their offerings.”

Massachusetts v. Microsoft, 373 F.3d 1199, 1231 (D.C. Cir. 2004)

Court's Thought Experiment

What would it take for a new market entrant to convince Mozilla—a small distribution channel—to walk away from Google as the default? The following would have to happen.

1 Surmount entry barriers

- Cost of Capital
- Brand
- Distribution
- Scale

2 Build an ads platform on par with Google

3 Offset any revenue shortfall needed to outbid Google

A new entrant would need billions of dollars to meet these three conditions.

“And notably, it would have to accomplish this trifecta either by acquiring enough user data... or by developing a technology that would make the need for user data far less important (which is unlikely to happen anytime soon).”

Mem Op. 233

Antitrust Antifreeze

When the court asked why Google pays billions in revenue share when it already has the best search engine, he answered that...they “effectively make the ecosystem exceptionally resist[ant] to change”; and their “net effect . . . [is to] basically freeze the ecosystem in place[.]”

Mem Op. at 201-02



Sridhar Ramaswamy, CEO Neeva

