

Alphabet

**Written Testimony of Sundar Pichai, Chief Executive Officer, Alphabet Inc.
Before the House Committee on the Judiciary,
Subcommittee on Antitrust, Commercial, and Administrative Law
Hearing on “Online Platforms and Market Power, Part 6:
Examining the Dominance of Amazon, Apple, Facebook, and Google”
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Chairman Cicilline, Ranking Member Sensenbrenner, and distinguished members of the Subcommittee, thank you for this opportunity to appear before you today.

At its heart, a discussion about competition is a discussion about opportunity. This has never been more important, as the global pandemic poses dual challenges to our health and our economy.

Expanding access to opportunity through technology is deeply personal to me. I didn't have much access to a computer growing up in India. So you can imagine my amazement when I arrived in the U.S. for graduate school and saw an entire lab of computers I could use whenever I wanted.

Accessing the internet for the first time in that computer lab set me on a path to bring technology to as many people as possible. It's what inspired me to join Google 16 years ago. And it's what led me to help create Google's first browser, Chrome . . . not because I thought the world needed another browser, but because a better browser could open up the web to more people. I couldn't have imagined then that, eleven years later, so many people would experience the web through Chrome, for free.

At Google, we take pride in the number of people who choose our products and services; we're even prouder of what they do with them — whether it's the 140 million students and educators using G Suite for Education to stay connected during the pandemic . . . the 5 million Americans gaining digital skills through Grow with Google, part of our \$1 billion initiative to expand economic opportunity . . . or the millions of small business owners connecting with customers through Google products such as Maps and Search.

Our work would not be possible without the long tradition of American innovation, and we're proud to contribute to its future. Founded in Silicon Valley, we now employ more than 120,000 Googlers around the world — more than 75,000 here in the U.S., across offices and data centers in 26 states. PPI estimated that in 2018 alone we invested more than \$20 billion across the U.S., citing us as the largest capital investor in America that year. It's also ranked us in the top five U.S. investors for the last three years.

An important way we contribute is by building products that are helpful to American users in moments big and small, whether they are looking for a faster route home, learning how to cook a new dish on YouTube, or growing a small business. Survey research found that free services like Search, Gmail, Maps, and Photos provide thousands of dollars a year in value to the average American.

Many are small business owners who have used our digital tools to grow. For example, Fat Witch Bakery is a New York City-based bakery that for decades has been known for its delicious brownies. For over 17 years, Fat Witch and its founder Patricia Holding have been Google Ads customers. The Fat Witch team uses free tools like Google My Business to interact with their customers and to keep them informed, with over 200 reviews on their profile and counting. They also use free tools like Google Analytics to track the effectiveness of their marketing spend.

Online has been a lifeline for so many businesses, especially during the global pandemic. For example, by the time COVID-19 forced Texas to shelter in place, Kettlebell Kings, an Austin-based fitness company, had already been investing in Google Ads and Analytics for nearly a decade. When the lockdown orders led to a surge in sales for home fitness equipment, Kettlebell was prepared to adjust its digital offerings to capture the market, and its YouTube Channel grew 20%, helping them to grow their digital revenue and sales, which are up 3000% since COVID hit. Nearly one-third of small business owners say that without digital tools they would have had to close all or part of their business during COVID.

I am deeply proud that because of our tools, businesses on Main Street can compete in a way that wasn't possible 20 years ago, including globally. For example, Berry Digital Solutions is a digital marketing firm in Urbana, Ohio, that supports local small businesses. They use Google tools to work remotely during the pandemic, coordinating meetings through Google Calendar and collaborating on content in Google Docs. They help their clients use Google Ads, and they appreciate that you only pay when someone clicks on your ad. The Berry Digital team also uses Google

Analytics to learn more about the customers of their clients and how they can better serve them.

Another way we contribute is by making deep technology investments in America's future. Every year, we are among the world's biggest investors in research and development. At the end of 2019, our R&D spend had increased almost 10 times over 10 years, from \$2.8 billion to \$26 billion. We've invested over \$90 billion over the last 5 years.

Through these investments, our teams of engineers are helping America solidify its position as the global leader in emerging technologies like artificial intelligence, self-driving cars, and quantum computing. For example, last fall, our team of researchers based here in the U.S. was the first to reach a quantum computing milestone, a discovery that could eventually lead to new breakthroughs in medicine and more efficient batteries.

Just as American leadership in these areas is not inevitable, we know Google's continued success is not guaranteed. Google operates in highly competitive and dynamic global markets, in which prices are free or falling, and products are constantly improving. Today's competitive landscape looks nothing like it did 5 years ago, let alone 21 years ago, when Google launched its first product, Google Search.

For example, people have more ways to search for information than ever before — and increasingly this is happening outside the context of only a search engine. Often the answer is just a click or an app away: You can ask Alexa a question from your kitchen; read your news on Twitter; ask friends for information via WhatsApp; and get recommendations on Snapchat or Pinterest. When searching for products online, you may be visiting Amazon, eBay, Walmart, or any one of a number of e-commerce providers, where most online shopping queries happen. Similarly, in areas like travel and real estate, Google faces strong competition for search queries from many businesses that are experts in these areas.

A competitive digital ad marketplace gives publishers and advertisers, and therefore consumers, an enormous amount of choice. For example, competition in ads — from Twitter, Instagram, Pinterest, Comcast and others — has helped lower online advertising costs by 40% over the last 10 years, with these savings passed down to consumers through lower prices.

We also deliberately build platforms that support the innovation of others. Using Android — a product I worked on for many years — thousands of device makers and

mobile operators build and sell devices without any licensing fees to us or any requirement to integrate our products. This greatly reduces device prices, and today billions of consumers around the globe are now able to afford cutting-edge smartphones, some for less than \$50. And in doing so they are able to access new opportunities — whether it's sharing a video with friends and family around the world, gaining an education for themselves or their children, or starting a business.

Competition also sets higher standards for privacy and security. I've always believed that privacy is a universal right and should be available to everyone, and Google is committed to keeping your information safe, treating it responsibly, and putting you in control of what you choose to share. We also never sell user information to third parties. But more must be done to protect users across industries, which is why we've long supported the creation of comprehensive federal privacy laws.

To this day, I haven't forgotten how access to innovation and technology altered the course of my life. Google aims to build products that increase access to opportunity for everyone — no matter where you live, what you believe, or how much money you earn. We are committed to partnering with lawmakers, including the members of this Committee, to protect consumers, maintain America's competitive technological edge in the world, and ensure that every American has access to the incredible opportunities that technology creates.

Thank you.