

Google forced to pay for traffic it generates

PARIS, FRANCE: The head of the Orange said on Wednesday (16 January) it had been able to impose a deal on Google to pay for the vast amounts of traffic generated on its telecommunications networks.



Orange's chief executive Stephane Richard said on France's *BFM Business TV* that with 230m clients and areas where Google could not get around its network, it had been able to reach a "balance of forces" with the Internet search giant.

Richard declined to cite the figure Google had paid Orange, but said the situation showed the importance of reaching a critical size in business.

Network operators have been fuming for years that Google, with its search engine and YouTube video service, generates huge amounts of traffic on the networks but does not pay anything for using them.

Richard put Google traffic over Orange's Internet networks at around 50%.

"That is to say an important part of traffic is generated by a big transmitter like Google, which is the subject of a discussion concerning a form of compensation for the volume of traffic," he said.

The Orange chief executive said that Internet companies and network operators were interdependent and criticised a recent controversial move by a French competitor, Free.

Free blocked Internet ads, drawing strident protest from websites reliant on advertising that the move would kill their business model, until the French government ordered it stop the practice.

Google has also been faced with demands for compensation from content providers such as newspapers, who say the search giant makes lots of advertising revenue from referencing their material.

France and Germany are considering imposing compensation schemes on Google as the company has refused to reach any deal with media outlets.

French President Francois Hollande warned Google on Wednesday (16 January) that his government would legislate a so-

called Google tax if the company doesn't reach a deal with French media companies.

He said "those who make a profit from the information" produced by media companies should participate in their financing.

Source: *AFP* via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>