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TENNESSEE ATTORNEY GENERAL SKRMETTI ANNOUNCES \$700 MILLION SETTLEMENT WITH GOOGLE OVER PLAY STORE MISCONDUCT

Nashville – Attorney General Skrmetti and a bipartisan group of 52 other attorneys general today announced a \$700 million agreement with Google in their lawsuit about Google's anticompetitive conduct with the Google Play Store.

"Google will no longer profit from the inflated app costs it forced through its abuse of market power," Attorney General Jonathan Skrmetti said in a statement. "This settlement will reduce app prices and increase consumer choices on the Android platform. Our office is proud to protect consumers, secure \$700 million in financial relief, and be a part of this bipartisan effort to ensure one of the most powerful companies in the world follows the law."

Google will pay \$630 million in restitution, minus costs and fees, to U.S. consumers who made purchases on the Google Play Store between August 2016 and September. Google will pay the states an additional \$70 million for sovereign claims. People eligible for restitution do not have to submit a claim – they will receive automatic payments through PayPal or Venmo, or they can elect to receive a check or ACH transfer. More details about that process will be forthcoming. The agreement also requires Google to make their business practices more procompetitive in a number of important ways.

The attorneys general sued Google in 2021 alleging that Google unlawfully monopolized the markets for Android app distribution and in-app payment processing. Specifically, the States claimed that Google signed anticompetitive contracts to prevent other app stores from being preloaded on Android devices, bought off key app developers who might have launched rival app stores, and created technological barriers to deter consumers from directly downloading apps to their devices. The states announced a settlement in principle on September 5, 2023, and today released the finalized terms of that deal.

Under the settlement, Google must reform its business practices in the following ways:

- Give all developers the ability to allow users to pay through in-app billing systems other than Google Play Billing for at least five years.
- Allow developers to offer cheaper prices for their apps and in-app products for consumers who use alternative, non-Google billing systems for at least five years.
- Permit developers to steer consumers toward alternative, non-Google billing systems by advertising cheaper prices within their apps themselves for at least five years.
- Not enter contracts that require the Play Store to the be the exclusive, pre-loaded app store on a device or home screen for at least five years.



Jonathan Skrmetti Attorney General & Reporter

- Allow the installation of third-party apps on Android phones from outside the Google Play Store for at least seven years.
- Streamline and ensure the accuracy of warnings that appear on an Android device if a user attempts to download a third-party app from outside the Google Play Store for at least five years.
- Maintain Android system support for third-party app stores, including allowing automatic updates, for four years.
- Not require developers to launch their app catalogs on the Play Store at the same time as they launch on other app stores for at least four years.
- Submit compliance reports to an independent monitor who will ensure that Google is not continuing its anticompetitive conduct for at least five years.

This lawsuit was led by the Attorneys General from North Carolina, Utah, Tennessee, New York, and California, and joined by the attorneys general of all remaining states, the District of Columbia and the territories of Puerto Rico and the Virgin Islands.

A copy of the settlement is available <u>here</u>.

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