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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
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News Media and Digital Platforms – Note by the Russian Federation

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This document reproduces a written contribution from the Russian Federation submitted for Item 3 of the 136th OECD Competition Committee meeting on 1-3 December 2021.

More documents related to this discussion can be found at
<https://www.oecd.org/daf/competition/competition-issues-in-news-media-and-digital-platforms.htm>.

Please contact Mr Antonio Capobianco if you have questions about this document [Email: Antonio.CAPOBIANCO@oecd.org].

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Russian Federation¹

1. In recent times, print media and TV broadcast were the main sources of information and advertising for consumers. The widespread use of the internet and the rapid development of digital sources of information have increased competition between traditional media as well as their competition with "new" media such as independent online media, blogs, social networks, search engines, YouTube channels, online catalogues and other media sources that enter the news market through the distribution of user-generated content.
2. The Internet has revolutionized many areas, including how consumers receive information. Due to fundamental changes in consumer habits, traditional media have also begun to digitize their own content and to change business models in response to the needs of the digital environment (news subscription, distribution of news digest, compilation of news selections by topic, etc.).
3. The emergence and strengthening of "new" media has currently led to the fact that for some groups of users they may be the only sources of official information or private opinions. This makes these media important not only for end users, but also for those who create content for them (professional and (or) amateur).
4. The refusal of the "new" media to distribute particular content can have an extremely negative effect on content creators, as much as the termination of their activities. Thus, "new" media can abuse market power and discriminate against certain counterparties. This negatively affects not only competition between content creators but also consumers that are deprived of the choice of alternative content.
5. In this context, there are grounds for the intervention of the antimonopoly authorities.
6. In Russia, antimonopoly regulation of digital platforms affects their distribution of unfair information through news services (for example, Google News, Yandex.News), as well as in general search results or by any other means and services. The competence of the FAS Russia includes consideration of cases on distribution of false, defamatory, inaccurate information, incorrect comparison, which are qualified as unfair competition². The FAS Russia has accumulated significant practice in considering cases on unfair competition.
7. Another aspect of antimonopoly regulation that is just starting to take shape in Russia is the interaction of digital platforms and media. To date, the FAS Russia does not have extensive practice in dealing with cases related to digital media. However, several examples can illustrate the attention of the Russian antimonopoly authority to this issue.
8. In particular, the most popular "new" media in Russia is the video hosting service YouTube. The popularity of this service has led to the fact that traditional media (TV) also place their programs on this video hosting service, as well as create exclusive video content for it. The given circumstance makes this service an important and sometimes the only channel for distributing content for official and unofficial Russian media sources.

¹ The contribution was prepared by the FAS Russia in cooperation with the International BRICS Competition Law and Policy Center

² Chapter 2.1. of the Federal Law of July 26, 2006 No. 135-FZ "On protection of competition"

9. Thus, Russian persons who post their content on the YouTube video hosting service are extremely dependent on its various actions and policies.

10. Currently, the FAS Russia is considering the Google LLC case on abuse of dominant position in the video hosting services market.

11. The circumstances of the case relate to the YouTube video hosting service and its rules (policies) regarding the suspension, blocking of accounts and circulation of user content on YouTube. These YouTube policies may be nontransparent, biased and unpredictable. This leads to sudden blocking and deletion of user accounts without warning and justification of these actions.

12. Referring to these rules, the video hosting service YouTube in 2021 blocked the accounts of some Russian media without warning, which could negatively affect the economic activities of these media and their popularity among consumers (one of the media, as a result of the blocking, lost its entire subscriber base, which amounted to more than a million).

13. The circumstances of this case and international practice show that the influence of "new" media and corresponding digital platforms on consumers, companies and even government authorities is increasing.

14. This leads to the need to develop new responses to these challenges. As part of the development of antimonopoly response measures, the FAS Russia, with the participation of Russian public organizations and business entities, has developed basic principles of fair behavior in digital markets, which are as follows:

- reasonable openness of digital platforms;
- neutral attitude towards various sides of the market, including competitors;
- ensuring the independence of platform users when interacting with it;
- avoidance of expansive and ambiguous wording in the rules for the operation of digital platforms;
- ensuring the rights of platform users, including by considering their appeals, complaints and providing them with full answers.

15. These basic principles also apply to "new" media. In particular, the principle of neutrality of attitude towards different sides of the market is especially important for the media and advertising markets, where a digital platform can operate simultaneously on several sides of the market.

16. For example, search engines that display both news media sites and their own news feeds in search results should display the results equally, without promoting their own services. For Russia, these concerns are relevant in light of the ongoing investigation by the FAS Russia against Yandex regarding the unfair organization of search results³.

17. For the advertising market, digital platforms can simultaneously serve as advertising distributors and operate as an intermediary infrastructure that brings together advertisers and distributors of advertising, as well as provide services to the market on the

³ The FAS Russia opened a case against Yandex. URL: <http://en.fas.gov.ru/press-center/news/detail.html?id=55176>

demand side⁴. In such a situation, it is important not to allow the digital platform to preferentially treat its own services to the detriment of other sides of the market, as can happen in the case of digital platforms that dominate several sides of the market at once⁵.

18. It is also important to emphasize the principle of ensuring the rights of users of the digital platform when distributing, for example, news content.

19. A digital platform that distributes such content should have clear mechanisms for users to send appeals and complaints to combat, including, against false or illegal content. In some jurisdictions, foreign and large digital platforms are required to have a clear mechanism for filing complaints and appeals on the platform, including those with a physical presence in the state (Germany⁶, Singapore⁷). Despite the fact that in the Russian Federation control over similar provisions of the legislation⁸ is not within the competence of the FAS Russia, it should be noted that such measures are aimed, among other things, at establishing increased responsibility of the largest digital platforms, which corresponds to their market power and the associated level of influence on society.

20. The described initiative of the FAS Russia on self-regulation of digital platforms is an important step in the implementation of the Concept for Regulation of Digital Ecosystems, released in 2021 by the Ministry of Economic Development of the Russian Federation⁹, which mentions, among other things, the need to modernize antimonopoly regulation to maintain fair ecosystem relationships with users and suppliers.

21. In the context of media and digital advertising markets, it is important to take into account the large market power of digital ecosystems and their presence in several markets at once, as this may have consequences for the ecosystem's relationship with media content and digital advertising providers.

⁴ Competition in digital advertising markets. OECD (2020). At 19-20. URL: <https://www.oecd.org/daf/competition/competition-in-digital-advertising-markets-2020.pdf>

⁵ A prime example is the services that Google provides to both distributors of advertising and advertisers. Competition in digital advertising markets. OECD (2020). At 30-31. URL: <https://www.oecd.org/daf/competition/competition-in-digital-advertising-markets-2020.pdf>

⁶ Act to Improve Enforcement of the Law in Social Networks (Network Enforcement Act, NetzDG) - Basic Information (2017), URL: https://www.bmjv.de/DE/Themen/FokusThemen/NetzDG/NetzDG_EN_node.html

⁷ PROTECTION FROM ONLINE FALSEHOODS AND MANIPULATION ACT 2019. URL: <https://sso.agc.gov.sg/Acts-Supp/18-2019>

⁸ Federal Law of July 1, 2021 No. 236-FZ "On the Activities of Foreign Persons in the Information and Telecommunication Network "Internet" on the territory of the Russian Federation. URL: <http://www.kremlin.ru/acts/bank/46991> (Russian version only)

⁹ The concept of state regulation of digital platforms and ecosystems. Ministry of Economic Development of the Russian Federation. URL: https://www.economy.gov.ru/material/departments/d31/koncepciya_gos_regulirovaniya_cifrovyh_platform_i_ekosistem/ (Russian version only)