Message

From: Donald Harrison Confidential @google.com]
Sent: 6/17/2024 9:19:04 PM
To: Jonathon Wong Confidential @google.com]
CC: Cyrus Beagley Confidential @google.com]; Peter Fitzgerald Confidential @google.com]
Subject: Re: Rick Commercial Agreements Review Part II

go ahead and get time with me - I understand the general direction but (a) need to be able to ask more questions on how to true up to slide 35 and (b) need to understand whether this covers Gemini distribution.

Perhaps helpful to understand where we take this into conversations with Voda and Samsung if they are tip of the spear on the new structure.

On Sat, Jun 15, 2024 at 11:48 PM Jonathon Wong Confidential @google.com> wrote:

> Don, Cyrus,
>
> On Friday the ACIA team including Peter, Sameer, Kara, and I met with Rick and other DSPA Leads (Matt V, Mayisha, Cristina Bita) for 90 mins to cover the forward looking view of Android Commercial Agreements - HERE is the deck.
>
> Rick's overall feedback was positive - likes and supports the direction of travel, agrees with the foundations to drive more support towards OEMs, and noted that we are smartly solving some very complex challenges across the Android Ecosystem, but there are significant areas of feedback he'd like us to address. These include:
>
> - Establishing an up-front strategic narrative that lays out the competitive landscape and broader opportunity to shift Android's trajectory with AI, setting up for what might be a substantial ask across product, marketing, and partnerships
> - Adding to our macro objectives: maximizing economic outcomes for Google as a whole and being able to enact a global strategy for the collective android ecosystem / portfolio
> - Laying out a clear marketing / demand gen go-big plan (otherwise we run the risk of building great devices that don't sell b/c users don't see the brand value) --> likely anchoring on Android + Gemini
> - Revisiting potential Google controlled funds including strategic co-marketing with OEMs by geo, D3-like efforts with Samsung, and GTM
> - Creating additional, but optional structures for partners to do more business with Google that may include accelerator payments
> - Model / outline risks more clearly, including carrier envelope risk (e.g., having to make them whole), and risks associated with shifting towards more of a bounty based structure
>
> We aligned on the need to start road testing this with some partners. We've given the VF team green light to share the future ACIA construct for feedback (no numbers, dollar amounts, or commitments) and we'll begin building out materials that we can test with some partners (OEMs and carriers).
> Given the size of bounties over 3-years, Cristina also called out the need for audit committee review, after passing through BC - we'll work with Steve on this one.
>
> Finally, our intentions are to socialize with you (I'll set up) and other BC members in a small setting over the next two weeks. This includes Philipp, Ruth, Kent, Liz. Steve is already well versed. We'll also circle back with Rick in parallel as we address the feedback above.

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PXR0280
1:20-cv-03010-APM
1:20-cv-03715-APM

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Please let me know if you have any questions, happy to chat live and will work with Nicole to find a time to walk you through these materials.

Jono

--

Jonathon Wong | Strategy & Operations - P&D Partnerships | Confidential@google.com | Confidential

Android and the Partner Ecosystem

Evolving commercial agreements

Introduction to the ***Android Commercial Incentive Agreement*** *(ACIA)*

June 2024

CONFIDENTIAL // WORKING DRAFT FOR DISCUSSION → Link to V2 ACIA BC Deck (NTK only)

[redacted]

Recap of last conversation

- Google signs **three core agreements** with Android ecosystem partners: ACC, MADA, and RSA
- Each agreement has a different purpose, and together **they benefit users, developers, OEMs, carriers, and Google**
- These agreements have **worked extremely well over the past decade**: the Android ecosystem grew and many users engage with Google's mobile products
- Meanwhile, **five trends have changed the smartphone category**: TAM saturation, premiumization, higher user expectations, multi-device usage, and refurbished devices
- We see **Android OEMs struggling to compete with Apple** in recent years, especially in the premium segment
- We have a proposal that **better aligns Google's current goals** with those of OEMs, Carriers, and other channel partners

PRODUCT ASKS: OEMs

There are key differences in Google Services requirements between MADA vs. ACIA

Removed vs Prior | **Modification**

Licensing Agreement (Terms Slightly Modified in EEA and Turkey)

MADA (Preload + Placement of Core Services)

- ❑ App in Google folder
- ❑ QSB Widget on DHS

- ❑ ~~DefaultAssistant OOB~~
- ❑ ~~LPH & Corner Swipe~~
- ❑ Hotword, Setup Screen

- ❑ App on DHS

3

Additionally Placed in Google Folder

- ❑ Chrome
- ❑ Gmail
- ❑ Maps
- ❑ YouTube
- ❑ Meet
- ❑ Drive
- ❑ YouTube Music
- ❑ Play Movies / Google TV

Must Have The Following To Receive Any Incentives

ACIA (Preferred Placement + Exclusivity + More Services)

- ❑ Device search exclusivity (DHS in sensitive Geos)
- ❑ **Implementation requirements for QSB, CtoS,** Discover

- ❑ DHS, -1, OOB hotword, & hardware affordance exclusivity (excl. 1P assistants)
- ❑ **Gemini icon on DHS and LPP (excl. SS[1])**

Under Evaluation

- ❑ Default browser & placed in hotseat
- ❑ All browser home pages, new tab, omniboxes set to Google

2

Placed in Google Folder

❑ Wallet	❑ Home*	❑ Files	❑ Fitbit
❑ G1	❑ Finder	❑ ~~Dialer / Contacts~~	

Additional Services Placement

❑ Wallet Setup	❑ Exo	❑ AutoFill
❑ Quick Share	❑ Health Connect	❑ GBoard (Non-U.S.)
❑ Messages	❑ Safety Center	❑ **Mappability**

1: Samsung vs ACIA Google Services structure. Carveout included for clarity as term is materially different under their RSA where LPP can invoke Bixby *Pending further discussion

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PRODUCT ASKS: OEMs

1

Summary: New & Removed vs RSA 4.0

(Existing contracts are fragmented so degree of change will be greater for Carrier & Non-RSA 4 Partners)

Various Line Items Were Added or Removed

	Services	Device Quality / Consistency
Removed	• Fitbit • Files • Dialer (& Dialer Meet Integrations) • Contacts • Assistant	• **Moved to GMS / CDD**: Power and Thermal HAL • **No Need to Incentivize:** 5G, Gaming Modes
New	• CtoS • Gemini (TBD) • Hardware / Lock Screen Mappability • Various Wearable Integrations • AI Core (8GB and up in Tier 2, provided SOC supports)**	• Credential Restore • GMS optional modules for BT / Wifi • Improved PDF / QR Experiences • Security Enhancements (Various) • Tablet & Foldables Quality / Consistency • eSim Support (T2) w/ Common Stack (T3) • (T2) MPC Reqs for non-flagships • Quick Start & Restore Anytime (T2) • Secure Element (T2 & T3 in X) • Qualified SoCs (T1) • Connectivity Enhancements (T1) • UWB in W+ (T1) • Barometer (T1)

And Structure Modified to Fit Strategy

Key Modifications

Services and software requirements **moved down tiers** (vs older RSAs) to enhance device consistency

Significant enhancements to device quality asks to align tiering to quality thresholds and push ecosystem to improve

Updated Longevity in each tier

Updated flagship T1 requirements to focus ecosystem on supporting **new / future use cases**

Note: List not encompassing of all modifications (various implementations updated)

[redacted]