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## Morning News Briefing

Tuesday, June 16

Good morning.

### E.U. announces antitrust inquiries into App Store and Apple Pay

The European Commission announced less than two hours ago that it has opened two antitrust investigations into Apple, one involving rules for developers on the App Store and the other related to Apple's conditions for integrating Apple Pay into merchant apps and websites.

The first investigation will look into the mandatory use of Apple's proprietary in-app purchase system, and the inability of developers to inform iPhone and iPad users of cheaper alternatives. "It appears that Apple obtained a 'gatekeeper' role when it comes to the distribution of apps and content to users of Apple's popular devices," Competition Commissioner Margrethe Vestager said in a statement. "We need to ensure that Apple's rules do not distort competition in markets where Apple is competing with other app developers, for example with its music streaming service Apple Music or with Apple Books." The second inquiry focuses on Apple's terms and

conditions for integrating Apple Pay into merchant apps and websites. Vestager said she was concerned Apple may be denying "consumers the benefits of new payment technologies."

The Wall Street Journal writes that "the new probes mark a significant second front in the EU's

battle with Apple over alleged violations of European competition law," citing the 2016 Irish tax case. Both the Journal and CNBC say the Commission has the power to impose fines and require changes to tech companies' business practices. The New York Times highlights the fact Brussels and Washington are "scrutinizing the power of the world's largest technology platforms," including Apple, Amazon, Facebook and Google, "over their growing power, particularly their position as gatekeepers upon which other companies depend on to reach customers." And Business Insider calls the App Store probe is "a big step forward for smaller Apple competitors." ([WSJ](#) | [CNBC](#) | [NYT](#) | [Business Insider](#))

Most online reports so far feature little commentary, however, and almost all include at least part of Apple's statement. Articles note the complaint Spotify filed last year, and while the Commission's announcement today didn't identify the e-book distributor that filed a complaint, The Financial Times published an article overnight identifying it as Kobo. Almost all articles mention the research Apple released yesterday showing that the AppStore generated \$519 billion in sales and commerce in 2019, with more than 85 percent going to independent app developers and other businesses selling through apps. ([MLex](#) | [Politico](#) | [Reuters](#) | [VentureBeat](#) | [FT](#))

**Commission's statement:** Read the European Commission's press release. ([Europa](#))

**Spotify's response:** Spotify said in a statement: "Today is a good day for consumers, Spotify and other app developers across Europe and around the world. Apple's anticompetitive behavior has intentionally disadvantaged competitors, created an unlevel playing field, and deprived consumers of meaningful choice for far too long." ([Business Insider](#))

**Beijing restricts travel for some residents as new Covid-19 cluster grows**



Beijing authorities imposed travel restrictions on some people in the capital as they work to contain a new cluster of coronavirus cases. China reported 40 more coronavirus infections today, including 27 in Beijing, which now has the country's largest cluster in more than two months. Beijing banned outbound travel for residents of neighborhoods deemed high-risk and closed schools in those neighborhoods. Shanghai demanded that some travelers from the capital be quarantined for two weeks. ([AP](#))

In an Op-Ed for the Fox Business website, Stephen Moore, a member of President Trump's Economic Recovery Task Force, argues against greater regulation of Silicon Valley, saying tech companies have helped the American economy stay afloat during the Covid-19 crisis. "High tech isn't swallowing up small businesses, it is saving them," he writes. "Thanks to our multi-trillion dollar tech sector – and not just big tech, but hundreds of new entrepreneurial online services – commerce kept flowing, food was available on the shelves, gas in the tanks, packages were delivered, and paychecks processed. They saved America from utter chaos and severe deprivation." ([Fox Business](#))

European governments announced today that they had agreed on ways to exchange data from exposure notification apps to allow the registration of exposure when people travel across borders. Meanwhile, Amnesty International said that exposure-notification apps in Bahrain, Kuwait and Norway have endangered the privacy of hundreds of thousands of people by tracking users' locations in real time. Bloomberg reports that Amnesty analyzed 11 apps, none of which use the Apple-Google system, which "tend to be less concerning from a privacy perspective." ([Europa](#) | [BBC](#) | [Bloomberg](#) | [Amnesty](#))

*In other Covid-19 news:*

- **President Trump's campaign** said it would require temperature checks and would distribute face masks and hand sanitizer to those attending his rally in Tulsa on Saturday.
- **Singapore** will further ease coronavirus measures on Friday, allowing retail to resume activity with social-distancing measures in place.
- **Japan's** exposure-notification app, developed with the help of Microsoft engineers using the Apple-Google API, could be available for download this week. ([Nikkei](#))
- **Amazon** is rolling out Distance Assistant , an open-source platform with cameras to detect if workers are following social-distancing rules. ([VentureBeat](#))
- Washington slightly loosened restrictions on passenger flights by mainland Chinese airlines to the U.S., after China said it would allow more passenger flights by American airlines. **American carriers** can operate a total of four return flights between the countries each week. ([WSJ](#))
- **U.S. airlines** will consider blacklisting passengers who refuse to wear face coverings when boarding, the industry's main lobby group said on Monday. American, Delta, JetBlue, Southwest and United are among the carriers implementing such rules, although there will be some exceptions. ([Reuters](#))

- **Las Vegas Sands** will be the first large American company to use "smart rings" from the Finnish wearables company **Oura** to try to predict the onset of Covid-19 symptoms among its employees. ([FT](#))

## Trump to sign executive order on policing today

President Trump is to sign an executive order today that will establish a database to track law enforcement officers with multiple cases of misconduct, and that will encourage police departments to rely more on mental health professionals when asked to deal with homelessness, mental illness or addiction.

A senior administration official told reporters on Monday the order would feature only "guiding principles," and that further executive or legislative action would be required to make them binding. Separately, officials in New York, California, Atlanta and Albuquerque also announced police reforms on Monday. ([NBC News](#) | [NYT](#))

## U.S. firms can work with Huawei on 5G standards, Commerce Dept. says

U.S. companies will be allowed to work with Huawei to develop 5G standards, according to a Commerce Department statement on Monday. "The department is committed to protecting U.S. national security and foreign policy interests by encouraging U.S. industry to fully engage and advocate for U.S. technologies to become international standards," Commerce Secretary Wilbur Ross said in the statement. "This action is meant to ensure Huawei's placement on the Entity List in May 2019 does not prevent American companies from contributing to important standards-developing activities." ([Reuters](#) | [Commerce Dept.](#))

Separately, Bloomberg cites some current and former officials in China as saying Beijing hopes President Trump will be re-elected, believing that he would "be less effective at containing China than Joe Biden." ([Bloomberg](#))

## In Brief

- The economist Joseph Stiglitz told The Irish Times that Ireland was "robbing" its European neighbors by allowing **Apple to pay an effective tax rate** of 12.5% while calling for other governments to set a minimum corporate tax rate of 25%. He said it exemplified the need for global cooperation on corporation taxes. ([Irish Times](#))

- **Glencore** will supply **Tesla's** Shanghai Gigafactory and its planned Berlin facility with cobalt for its lithium-ion batteries, the Financial



Times reports. Tesla said last week that it supported working with miners in the Democratic Republic of Congo, "where we can be assured that minerals, including cobalt, are coming from mines that meet our social and environmental standards." According to the FT, "the comments highlight how Tesla is increasingly securing its own raw materials as it expands production in China and Europe. Other carmakers, including Volkswagen, have relied on external battery producers to secure supplies of cobalt." ([FT](#))

- **WhatsApp** has launched its digital payments service in Brazil. ([FT](#))

## Today's Front Pages

### NEW YORK TIMES

- [Civil Rights Law Protects Gay and Transgender Workers, Supreme Court Rules](#)
- [A Half-Century On, an Unexpected Milestone for L.G.B.T.Q. Rights](#)
- [Syria's Economy Collapses Even as Civil War Winds to a Close](#)
- [A Conspiracy Made in America May Have Been Spread by Russia](#)
- [Cup Foods, a Minneapolis Corner Store Forever Tied to the Death of George Floyd](#)
- [How Black Lives Matter Reached Every Corner of America](#)

### WASHINGTON POST

- [High court affirms LGBTQ worker protections](#)

- [Latest death puts Atlanta at epicenter of protests](#)
- [Drivers hit protesters, echoing 2017 attack](#)
- [Virus guidance ignored as case numbers rise](#)
- [Many ready to risk lives for vaccine](#)

## WALL STREET JOURNAL

- [Supreme Court Rules for Gay and Transgender Rights in the Workplace](#)
- [New Covid-19 Outbreak in China Rattles Beijing](#)
- [Tech Firms Are Spying on You. In a Pandemic, Governments Say That's OK.](#)
- [Justice Department Charges Former eBay Staff With 'Cyberstalking Campaign'](#)
- [Tomato? Potato? Face Masks Lead to Misunderstandings](#)

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