

# To Stimulate Economy, End Predatory Abuse Of Antitrust

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Among numerous steps needed to stimulate a double-dipping economy, one is to make antitrust not pay anymore.

AT&T's \$39 billion merger with T-Mobile (a subsidiary of Deutsche Telekom) is the latest high-profile deal enduring blockage and manipulation by outsiders to the detriment of competitive enterprise, investment, wealth and job creation and consumer services. ([Silicon Valley tech guys](#) and [some rural groups](#) alike voice support for the deal.)

We come here often, as we did over the SiriusXM merger and [Microsoft](#)'s now-forgotten galactic takeover, and as we shall over [Google](#)'s upcoming ordeal over "monopolizing" ones and zeros with its presumed ability to keep us from left-clicking.

Antitrust is a policy of government-induced political predation that encourages endless interference with pent-up, ready-to-unload competitive forces. It creates stagnation and uncertainty.

Coercively administered antitrust is *itself* a dominant anticompetitive phenomenon of our age, rather than high-level private enterprise that's always targeted. The hearings, filing delays and restrictions on deal after deal undermine the complex workings and trajectory of a free enterprise economy, and quash jobs.

Even most free-market advocates tolerate "analysis" or "review" of mergers and there's very little call for repudiation apart from the [Cato Institute's distinguished Robert Levy](#) and Neanderthals like yours truly who regard it as little more than [institutionalized corporate welfare](#).

The gargantuan \$14 trillion shareholder-and-investor-driven economy arrayed against any bad or inefficient merger can administer appropriate ass-chapping discipline without Washington's interminable reviews and exploitative concessions. Washington doesn't preserve competition with antitrust, it eliminates the competition actually at hand, one of the many misleading conceits the define modern regulatory intervention. Freely tradeable shares exist on both sides of every transaction and merger in a \$14 trillion economy; that's an overwhelming brake on mismanagement and monopolization.

Sprint CEO Dan "[Stop this merger, period](#)" Hesse testified to the U.S. Senate that the AT&T/T-Mobile merger "[would make it more difficult for us to compete](#)" and that "[it puts us in a position to be acquired.](#)" as if it's somehow a rival's job to make life easy. Nor is it a public policy matter if future blocks of shareholders to buy Sprint. This is a CEO seemingly asking government to intervene in one of the most important market

functions of all—the market for corporate control—notably *against* the AT&T/T-Mobile combine, but *for* Sprint.

Competitors naturally are biased against an efficient merger. But some potential partners like [Microsoft, Facebook, Yahoo](#), Research In Motion (the Blackberry maker) [have endorsed the deal](#). Handset manufacturers are crucial allies AT&T must please; the merger may create more certainty ( 53 different and sometimes bewildering versions of handsets may or may not be too many, for example; it's not for me to say). In any event, these powerful entities can exercise collective discipline if AT&T misbehaves, because their sales would be damaged by its ill-gained monopolization.

Sprint's Hesse also disputes AT&T's claims that it will expand service to rural areas. But if those markets are truly neglected, Hesse can serve them unimpeded. Why come to Washington? He should be thanking AT&T. It just doesn't make sense.

Not that he'd agree with me on anything, but [Recon Analytics'](#) Roger Entner notes that [“the effective price per megabyte of \[wireless\] data has declined from 47 cents per megabyte in Q3 2008 to about 5 cents per megabyte in Q4 2010—roughly an 89 percent decrease. Today the effective price of a megabyte of data is the same as a voice minute, something that was unthinkable ten, or even five, years ago.”](#)

These are indeed extraordinary times and we need massive investment enabled by today's and tomorrow's uninterrupted combines. Policymakers should leave market actors alone and instead reduce barriers to evolution of fluid secondary markets in spectrum, enable novel spectrum-sharing deals and more auctions, and help clarify ownership of new spectrum that future technologies may unlock on today's wavelengths.

Washington throttles large-scale enterprise when it should instead create the pre-conditions for *even larger-scale enterprise*. It should facilitate a world containing numerous job machines on the scale of AT&T/T-Mobile and beyond, enable the doubling of our GDP, and move the rocks off the grass.

Antitrust instead hobbles an advanced economy. It institutionalizes the sad phenomenon of enabling politically connected “competitors” to transfer a rival's unrealized future customer base to their own bottom line. Antitrust blocks the exits to prevent customers' flight to something potentially bigger, better or sexier. Forced blockage or mangling of AT&T/T-Mobile means that others must suffer for (say, for example) Sprint's failure to have constructed its own deal with T-Mobile. Worse, successful blockage of AT&T/T-Mobile would mean that no company needs to bother responding competitively, the most anti-consumer outcome imaginable.

So I'd make sure antitrust doesn't pay for competitors. Sprint should freeze sales a year or so after antitrust action against AT&T until another, smaller, perhaps unknown vendor can emerge and attain, say, two-thirds Sprint's size and sponsor NASCAR's major Cup race, to boot.

After all, while antitrust action would lop off AT&T's aspirations, there's no particular reason why Sprint should get any windfall business. I haven't even had a chance to start my wireless company yet.

America is reeling from over-regulation, including antitrust regulation. We could balance the federal budget at half the current level and business will still have a tough time here; many are taking their entrepreneurial ball and going overseas.

Numerous steps under the general rubric of "[liberate to stimulate](#)" must be employed to ignite the American economy. Ending the economic "tax" of antitrust is an important one among them.