DB 10: Mergers and antitrust laws

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 T-Mobile is a mobile company which broke the barriers of competitive markets and introduced its own rules and regulations. T-mobile decided to eliminate unfriendly practices, abandoned termination fees, and overage charges1. The new strategies were in favor of consumers, they were helpful for them to acquire the service with least contracts. Americans are stuck in the contracts with Sprint, AT&T, and Verizon. Still, any merger that tries to introduce strategy which can lead to anti-competition is not acceptable by the government. The main reason for rejection is the concept of a competitive market. The competitive market works on the objective with almost the same policies and price to maintain the competition. On the other hand, monopoly and oligopolies always try to increase their profit even by doing antitrust violation. In addition, they are not questioned by the government most of the time on violations.

The strategies introduced by the T-Mobile were not against the consumers and it could not result in the violation of consumers’ right, although it was opposed by the government with the claim that these strategies were anticompetitive practice. It means if the same strategies were introduced by the monopolist or oligopolist firm, no issue would be raised by the government. Therefore, it will be fair to say that the government is concerned with strategies which have an impact on consumers or competition.

 History presents seevral cases of oligopoly firms where they were not punished for antitrust violation with the justification that a firm does not lie in the case of violation if the practices are not harmful to consumers and are not presented for the sake of price control. However, T-Mobile practices were considered as antitrust violations as the justification is no more justifying the law of caring both the competition and consumers in the market.

End Notes

1. Wu T. The Oligopoly Problem. April 2013. https://www.newyorker.com/tech/annals-of-technology/the-oligopoly-problem. Accessed April 25, 2019.