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Geoffrey Manne on Antitrust Case Against AT&T in The Wall Street Journal
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Geoffrey A. Manne

ICLE Executive Director Geoffrey Manne shares his take on the proposed merger of AT&T and Time Warner in The Wall Street Journal:

> Withholding Time Warner content from competitors would make no financial sense. AT&T has agreed to pay $85 billion for Time Warner. More than half of Time Warner's revenue, $6 billion last year, comes from fees that distributors pay to carry its content. Because fewer than 15% of home-video subscriptions are on networks owned by AT&T (DirecTV, U-verse, and DirecTV Now), the bulk of that revenue comes from other providers.
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> In other words: Calculated using expected revenue, AT&T is paying $36 billion for the portion of Time Warner's business that comes from AT&T's competitors. The theory seems to be that the merged company would simply forgo this revenue in a speculative hope that withholding Time Warner content from distributors would induce masses of viewers to switch to AT&T—and maybe, one day, put competitors out of business. That this strategy would actually work is unfathomable. "Game of Thrones" is good, but it isn't that good.

Read the full article on WSJ.com.

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