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Is AT&T Preparing Another Monopoly?©

by Alex Hurst

In 1900, if you made a telephone call in the United States, there was pretty much only one company to do it with. American Telephone & Telegraph, or AT&T, which at the time was also known as the Bell Operating Companies.

Throughout the majority of the 20th century, Bell had a monopoly on telephone service in the United States. Here's how it worked: Bell telephones and equipment were made by Western Electric, which was a subsidiary of AT&T. And different, smaller telephone companies that were members of Bell's network paid a portion of their revenue as a license fee to Bell. This effectively formed a vertical monopoly, where Bell could prohibit its customers from connecting phones not made or sold by Bell to its system unless they paid fees.

In 1984, the US government finally forced this big monopoly to break up into smaller chunks: American Information Technologies, AT&T, Bell Atlantic, Bell Communications, BellSouth, Cincinnati Bell, NYNEX, Pacific Telesis, Southwestern Bell, The Southern New England Telephone Company, and US West. The idea was to bring more competition into the market, and stop the economic distortions that monopolies cause.

But then, things started consolidating again. AT&T bought up BellSouth, Southwestern Bell, and some other smaller companies. Bell Atlantic merged with NYNEX and other New England Bells to form Verizon, and so on, until consolidation continued to the point where the US media and telecommunications market began, once again, to be dominated by three to four mega corporations.

"In the Telecom industry, Cingular is changing its name to AT&T is a crushing blow to those of us who have come to love the Cingular trademark, whatever the hell that is.... as you no doubt remember Cingular was co-owned by Bell South and SBC which had been South Western Bell and Ameritech which before that had been Illinois Bell, Wisconsin Bell, Michigan Bell, Ohio Bell and Indiana Bell - all of those used to be AT&T. Couple of years ago Cingular bought AT&T wireless and renamed it Cingular, but then SBC bought ATT and changed its own name to AT&T then that new AT&T bought Bell South changing its name to AT&T making only logical to turn Cingular into AT&T and

down here too ... in other words thanks to America's anti-trust efforts the country has gone from this... to this ..."

And now, that same AT&T just mentioned by Stephen Colbert, is pursuing an 80 Billion-dollar buyout of another one of the telecom behemoths - Time Warner, a cable company that owns both a giant internet service arm, and a host of cable channels like HBO and CNN.

Consumer groups have come out strongly against the deal, worrying that a new giant corporation will be able to force rivals to pay more to carry Time Warner's content, while offering the same content via its own service at a much lower price. They call that anti-competitive practices.

Of course, a deal this big is subject to regulatory approval, and at the moment, both the Trump and Clinton camps have come out against the buyout. So, it remains to be seen whether the United States will continue sliding back towards one big "Ma Bell."

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