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Byline: By Jeffrey E. Garten

The newly proposed mergers between Chevron (CHV) and Texaco (TX), as well as between General Electric (GE) and Honeywell International (HON)--not to mention the imminent deal between America Online (AOL) and Time Warner (TWX)--are but the latest evidence of a massive restructuring of global markets by megamerger. Now that the deals are becoming bigger and more complex, it's time to enhance coordination of antitrust policy across borders.

Indeed, mergers and acquisitions around the world have been soaring--reaching \$3.4 trillion in 1999. While only one-third of these transactions directly involve companies from different countries, most mergers have broad international impact. The trends will continue as trade barriers drop; as sectors such as telecommunications, transportation, and finance undergo more deregulation; and as the Internet makes it easier to build new corporate alliances.

Big mergers, such as Boeing (BA) and McDonnell Douglas, and Exxon and Mobil (XOM), have already strained the capacity of officials on both sides of the Atlantic to conduct careful investigations of anticompetitive practices. The number of mergers before the U.S. Justice Dept. has doubled since 1980, yet the antitrust staff is 20% smaller. The European Union's caseload has increased 500% in the same period. Efficiencies could arise by harmonizing procedures among key countries.

In addition, companies must now jump regulatory hurdles in many of the 60 countries that have antitrust laws--costing money, diverting CEO attention, and making shareholders jittery. Washington and Brussels have different thresholds for triggering antitrust investigations, different information requirements, and different deadlines for approval or veto. Superimpose other countries' antitrust procedures, and it can become a nightmare for business.

In September, for example, Jacques Bougie, CEO of Alcan Aluminium Ltd. (AL), said that in trying to achieve a deal with Pechiney and Alusuisse--

never consummated--his company had to file for approval in 16 countries and eight languages, submit well over 400 boxes of documents, and send more than 1 million pages of e-mail.

There are also difficult conceptual issues to resolve in the new, high-tech economy--not only within countries but also among them. How should national regulators deal with a corporate playing field that is global and therefore extends well beyond their legal jurisdictions? How should they deal with monopolies that can arise so quickly in technology-based industries?

While transatlantic coordination on antitrust has been improving, it nevertheless rests precariously on individuals in the U.S. and Europe who currently share compatible goals. This could easily change with new governments. Even if Washington and Brussels remain in synch, there is still a need to broaden the circle of cooperation to include Japan and big emerging markets such as South Korea and Brazil.

Two important studies describe what a global antitrust program might encompass. Taken together, the Final Report of the International Competition Policy Advisory Committee to the Attorney General (February, 2000) and the forthcoming Antitrust Goes Global by the Brookings Institution (November, 2000) advocate going beyond the negotiation of bilateral antitrust agreements, which have slowly been taking place.

They suggest going to a broader multilateral effort geared to streamlining the antitrust process, reducing administrative burdens on companies, and focusing on more transparent investigations. They advocate the establishment of regional antitrust authorities in Latin America and Asia to reduce needless fragmentation, as well as more technical assistance to officials in emerging markets. Down the road, they envision antitrust reviews conducted by more than one government working as a team.

"SOFT HARMONIZATION." Finding common ground won't be easy. Robert Pitofsky, chairman of the Federal Trade Commission, and Joel I. Klein, former assistant attorney general for antitrust, favor "soft harmonization" of regulations among countries, starting with a new global forum for discussion with no binding rules. American business leaders such as Raymond V. Gilmartin, chairman and CEO of Merck & Co. (MRK)

agree.

EU Competition Commissioner Mario Monti and former Commissioner Leon Brittan, however, want any antitrust initiative to come under the jurisdiction of the World Trade Organization, with its more formal legal structure and dispute-settlement procedures. Last year, Jurgen E. Schrempp, chairman of DaimlerChrysler (DCX), told me that there was already too much international bureaucracy and that we didn't need more of it to deal with antitrust.

Antitrust issues are taking center stage in the shaping of global industries and the delicate balancing of public and private interests in the world economy. The next President and his Attorney General should seize the moment with an international plan.

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