



The American
Antitrust Institute

August 29, 2007

Hon. Deborah Platt Majoras, Chair
600 Pennsylvania Avenue, NW
Federal Trade Commission
Washington, DC 20580

Via E-Mail

Dear Chairman Majoras,

The European Commission has issued a Statement of Objections against Intel, alleging that its strategic conduct against Advanced Micro Devices constitutes an abuse of dominance. We at the American Antitrust Institute strongly encourage the Federal Trade Commission to weigh in on this conduct that has so long gone unchecked.

Intel is clearly a monopolist in the microprocessor manufacturing industry, which for practical purposes is a global duopoly whose control over an essential ingredient for high technology makes it a critical focal point for competition policy. There seems to be no compelling evidence that this industry is a natural monopoly, so it becomes especially important to be vigilant against strategies by the dominant firm that might eliminate or cripple its only rival's ability to gain substantial market share as a result of its hard-won and pro-competitive innovations and efficiency.

Based on allegations by AMD in a private U.S. case and on what we have been able to learn about the EC's complaint (the details of which are not yet public), not to mention a settlement in Japan and an on-going investigation in Korea, there seems to be substantial reason to worry about Intel's rebate policies, in particular, which appear to be fashioned for the purpose of keeping Original Equipment Manufacturers from switching orders to a chip that, on the merits, they may prefer to purchase from AMD. The U.S. government—especially the FTC—should reclaim its traditional role as the leading antitrust enforcer, especially when it is two U.S. corporations that are involved and the rest of the industrialized world is so concerned.

As you know, the American Antitrust Institute is an independent education, research, and advocacy organization that supports the aggressive use of antitrust as a matter of fundamental economic policy. We receive contributions from a wide variety of sources, including high tech companies, one of which is AMD.

Sincerely,

Albert A. Foer, President

Cc: Commissioners Harbour, Kovacic, Leibowitz, and Rosch,

2919 ELLICOTT ST, NW • WASHINGTON, DC 20008
PHONE: 202-276-6002 • FAX: 202-966-8711 • BFoer@antitrustinstitute.org
www.antitrustinstitute.org