

In the News

O'Melveny's Sallet Quoted in Telecommunications Report Daily on Reduced Regulation of the Telecommunications and Internet Service Market



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O'Melveny & Myers LLP partner Jonathan Sallet was quoted in the April 19, 2012, *Telecommunications Report Daily* article "Panelists Offer Two Arguments Against Telecom, Internet Regulation," discussing reduced regulation of the telecommunications and Internet service market. At an event sponsored by the Information Technology & Innovation Foundation, Sallet served as a panelist approaching the issue "from an antitrust lawyers' perspective."

According to *TD Daily*, Sallet described the mobile broadband economy as a "value circle," noting that providers of connectivity, computer hardware, mobile devices, e-commerce offerings, search services, and computer software "are all able to approach the same consumer directly as the lead player in a package of benefits, creating economic surplus to be divided with their partners." He added that "the economics of that value circle depend both on independence of the players and their interdependence in putting together a total package of connectivity, devices, hardware, software, and features."

Sallet analyzed the policy implications of this view on the market and suggested the possibility that the video programming distribution market could become a value circle, in which "devices would bring differentiated value" and consumers might be able to "buy premium content outside of the cable package" and "design their own package."

Sallet concluded by saying that his view does not preclude the possibility of antitrust violations. "It's fully possible under this theory that a firm could be dominant and could exercise market power in an anticompetitive way. All I'm saying is that the analysis should be conducted with an understanding of [the value circle] market," he said.