



Basis Points – October 1, 2020

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Above the Fold

Could Big Tech Share the Same Fate as “Ma Bell”?

After successfully defending itself in several prior antitrust lawsuits, AT&T, colloquially known as Ma Bell, was finally forced by the U.S. Department of Justice to break up in January of 1982. The deal, which was essentially a punishment, actually turned out to be a great success for the telecom monopoly, which, in a sense was similar to some of the tech giants being investigated by the House Antitrust Subcommittee today. Ma Bell’s separation into regional baby bells allowed it to retain its long distance calling business, while the new entities that were created could further diversify, merge and expand their respective businesses into other sectors. Years later, AT&T was in many ways back together again and stronger than ever...

Today, House Democrats are expected to call on Congress to shunt the growing strength of big tech companies, including Apple, Google, Amazon and Facebook. Subcommittee chairman David Cicilline (D., R.I.) has said that the panel is prepared to recommend some huge technology firms break their smaller platforms into separate businesses, similar to the measures against AT&T. The question then becomes whether a potential breakup actually benefits consumers in the long run, or simply allows these smaller, more agile companies to operate even more aggressively in their subcategories.

AT&T’s breakup did give consumers more choices and lower prices in some cases, but is also said to have delayed availability for high-speed internet for many.

Three Things

1. **Amazon Taking Virtual to Yet Another Level** – Amazon recently launched Explore, its new virtual platform that allows users to do everything from virtual shopping and sightseeing to cooking classes. All experiences are interactive, with one-way video and two-way audio, so consumers can ask questions to those leading the interactions.
2. **Apple Crashes** – As more and more of us depend on cloud-based data services, continuity of service is critical. Unfortunately, Apple joined the growing list of critical companies experiencing outages with a multi-hour shutdown on Tuesday. The outage affected all or most of its customers across most of Apple's platforms, including Music, Photos, iCloud and iWork.
3. **To Spray or Not to Spray?** – U.S. air carriers have taken drastic measures to prevent the spread of COVID-19 among passengers. Between flights, plane interiors are sprayed heavily with disinfectants; some cleaning solutions include quaternary ammonium compounds (QACs). These QACs, or quats, have been linked to lung damage and asthma, and their long-term effects in an aircraft environment have not been studied. There are arguments for and against these products, but the risk/benefit balance is being weighed carefully by experts.

Did You Know?

On This Day in 1890...

An act of Congress created the mighty and beautiful Yosemite National Park, to help preserve the region — the act was signed into law by President Benjamin Harrison. It wasn't until 1864 that conservationists lobbied President Abraham Lincoln to declare Yosemite Valley and the Mariposa Grove of giant sequoia a California public trust to fend off commercial development. Yellowstone was America's *first* national park, established in 1872.

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