



Case 8.3 The AOL Time Warner Merger

First Impressions

Initially, I did not believe that the merger between these two companies would be a problem or unethical. However, as I neared the end of the case, I started to feel that these two industry giants do need to have a few restrictions in order to “fairly” operate under the same name. Since these businesses could possible filter out options for consumers, at the expense of the consumer, I would consider it unethical on the behalf of the businesses. This would put a majority of the competitors at a huge and expensive disadvantage.

Apply an Ethical Theory

I believe that the Social Justice theory should apply to this case. If America Online and Time Warner are going to merge, then it would be fair for all forms of media to be given the chance to traverse the networks, without any bias or discrimination. Unlike the Microsoft case, consumers cannot download a free version of a cable communications infrastructure to pick and choose what they would like to view. Therefore, it would be fair that all media and appropriate material, which is being paid for by the consumer, be permitted to pass along the network which they are paying from the service provider.

Cite Possible Public Policy Implications

I would want to believe that there exist merger and acquisition laws today that restrict certain types of companies from coming together in the event that these companies could restrict or conspire against other companies to limit or eliminate industry competition.

Is there?
& if so,
are they
sufficient?