

THE TRUTH ABOUT INTEL'S ABUSE

In the wake of the European Commission's finding that Intel abused its monopoly position in the microprocessor market, Intel has been trying to muddy the waters. These "Monopoly Myths" are misleading.

Monopoly Myth #1: Consumers were not harmed.

Fact: When new, innovative products are kept from the market through under-the-table payments or when computer manufacturers are forced to pay higher prices, consumers are harmed. For example, the EC found that Intel made payments to Europe's number one electronics retailer for more than five years on the condition that it not carry AMD-powered computers. Consumers were denied a choice.

Monopoly Myth #2: The only issue is pricing.

Fact: This is not just about price, it's about manipulating the marketplace. The EC found that Intel "interfered directly in the relations between computer manufacturers and AMD," its main competitor. Indeed, "Intel awarded computer manufacturers payments" to delay or cancel the launch of AMD-based computers, which it went to "great lengths to cover up."* The EC spent years examining reams of evidence and concluded that Intel made hidden payments so computer manufacturers would refuse to deal with AMD.

Monopoly Myth #3: The Commission's Order might cause higher prices.

Fact: Competition *lowers* prices. In 2002 when AMD offered one million chips for free to a computer manufacturer, Intel prevented that company from taking all the microprocessors. *No price could be lower than free* — so consumers were forced to pay more for computers with Intel chips than the competitive alternative.

For over 30 years, CCIA has fought for competition and against monopoly abuse to protect innovation and the rights of consumers. Read the EC's decision and CCIA's open letter at www.ccianet.org.

*European Commission Press Release and Press Conference, May 13, 2009



Computer & Communications Industry Association

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