

# Antitrust Economics and Policy: Some Suggestions for Research Agendas

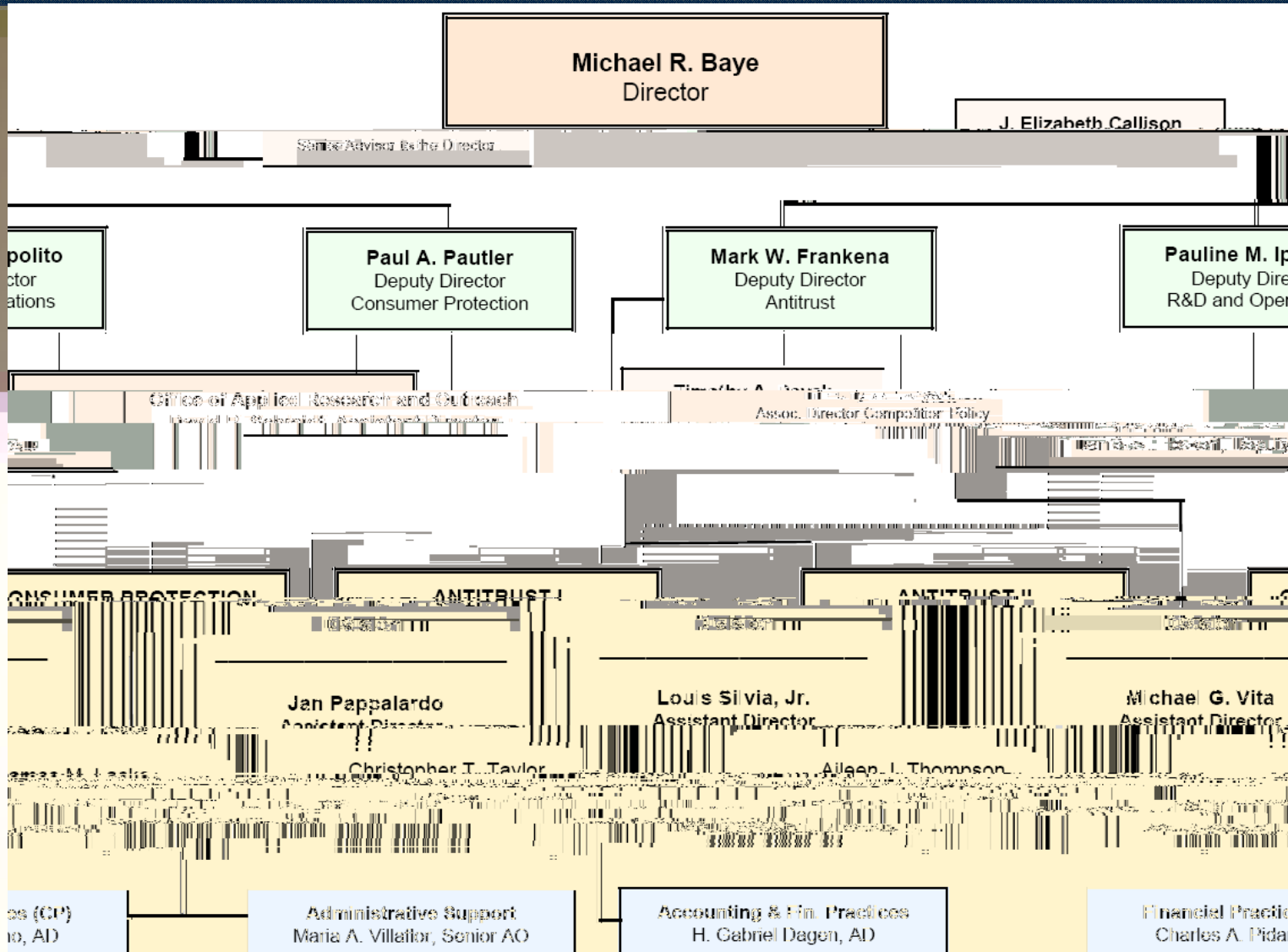
Michael R. Baye  
Director of the Bureau of Economics, FTC  
&



# Cj Yfj ]Yk

- 9WŁbca ]WfYgYUfW\ `Ug'd`UmYX`Ub`ja dcfhUbh  
fc`Y`]b`g\Ud]b[ `di V`]Wdc`]MmUbX`h`Y`Ubh]hfi ghi  
`UbXgWŁdY
- 6i fYUi `cZ9WŁbca ]Mg`Uh`h`Y` : H7 `]g`U`\_Ym  
WŁbh]Vi hcf
- <][ \`][ \hU`ZYk `UfYUg`k \YfY`≐VY`]Yj Y`  
UWŁXYa ]WfYgYUfW\Yfg`WŁi `X`UXX`[ fYUhigcWŁU`  
j U`i Y
- Gca Y`WŁj YUhg`fY[ UfX]b[ `h`Y`k Umik Yž`Ug`  
UWŁXYa ]Mgž`cZ`h`b`WŁccgY`fYgYUfW\`U[ YbXUg`
- G\UfY`gca Y`fYWŁbhik cf`\_Vm: H7 `YWŁbca ]ghg

# 6i fYUi 'cZ9VtbcA ]M' C f[ Ub]nU]cbU`Ghf i W h fY



%" J Yfh]WJ` F YghfU]bhg#GYW]cb` &` =ggi Yg

- 7 cbhYbh]ci g`UfYU
- 5 VgYbhUXX]h]cbU` `Ya d]f]WJ` `UbX`  
h`YcfYh]WJ` fYgYUfWž`YVčbca ]ghg`fi b`h`Y`  
f]g\_`cZVYVča ]b[ `]ffY`Yj UbhidUfh]W]dUbhg



# 9I Ua d`Y. `F YgU`Y `Df]W` A U]bhYbUbW

- @Y[ U` < ]ghc fm
  - Gi dfYa Y`7 ci fh]b`8f``A ]Yg`f%`%&a UXY`  
a ]b]a i a `F DA `dYf`gY]`Y[ U`
  - Gi dfYa Y`7 ci fh]b`@YY[ ]b`f&\$\$+&`  
cj Yfh`fbYX`8f``A ]Yg`]b`ZUj`cf`cZfi`Y`cZ`  
fYUgcb
    - )!( `a U^cf]hm
- 7 cbhYbh]ci g`]ggi Y`gh]`



# H\Y'9WŁbca ]Mg'cZF DA

- H\YcfYh]WŁ`
- 9a d]f]WŁ`

DUi `]bY' =ddc`]hc' fl>@9 % - %Ł'UbX'ch\Yf'69'  
YWŁbca ]ghgž'VhX']b'h\Y'Gi dfYa Y'7 ci fhg'@YY[ ]b'  
XYW]g]cb

- ; YbYfU` WŁbgYbgi g'Ua cb[ `YWŁbca ]ghg'h Uh  
F DA `g\ci `X'bch'VY' dYf'gY]'`Y[ U`

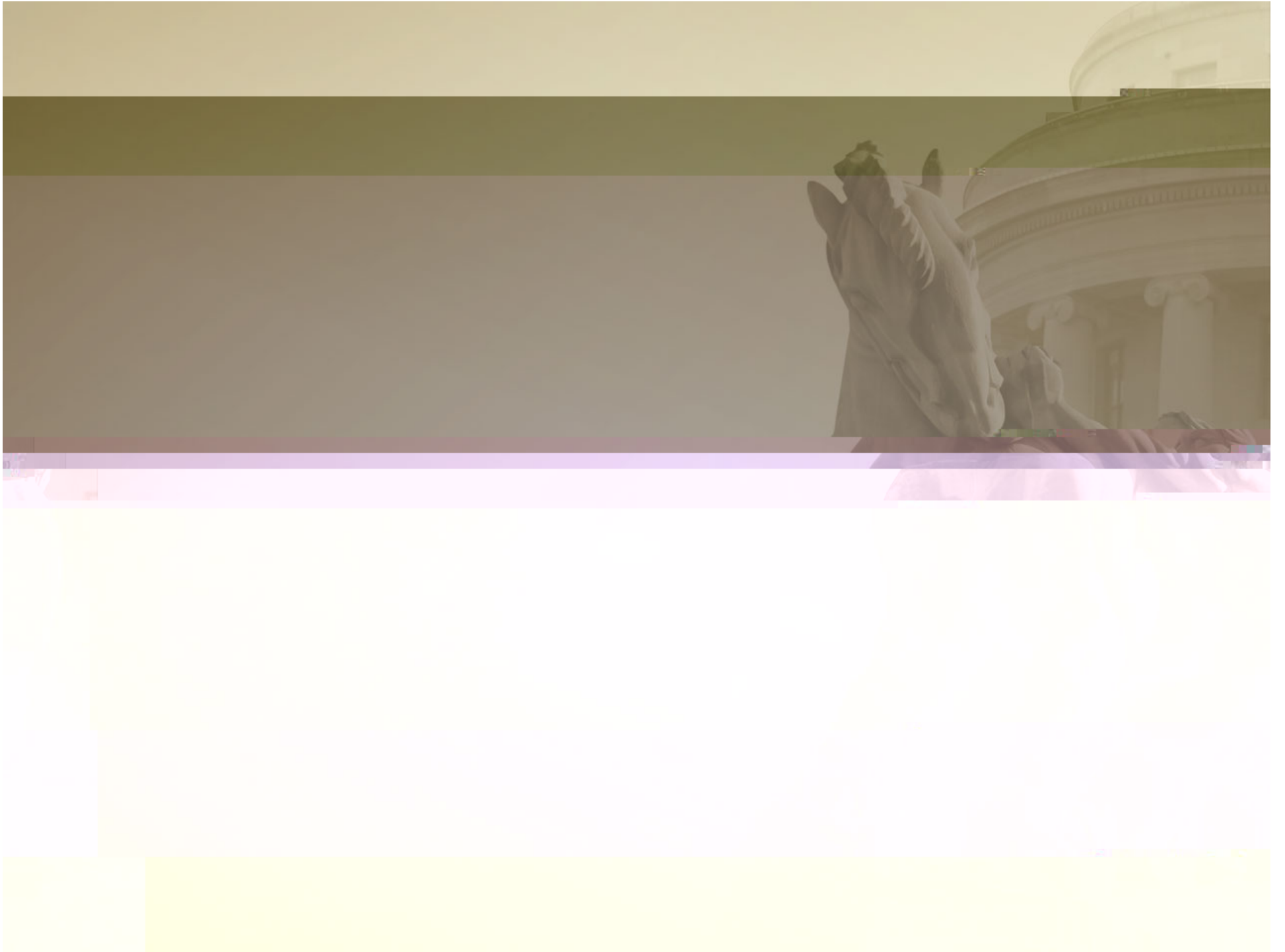
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9WŁbca ]Mgž'cb'h\Y'Gi dfYa Y'7 ci fhg')!( '8YW]g]cb'  
]b'@YY[ ]b'fK U`GhfYYh>ci fbUŁ

5g'a i WŁ'Ug' =\UhY'hc' [ c'U`cb[ 'k ]h'h\Y'  
WŁbgYfj Uh]j Yg'cb'h\Y'WŁi fhž' =h ]b\_'h\Ym[ ch]h  
f][ \h'



# F YgYUfVW 'C ddcfh b]h]Yg. '9a d]f]WJ`

- ɸ ` \ ]g `X]ggYbhž >i gh]W `6fYmYf`WJ`YX`Zcf`fYgYUfVW.
  - “=k ci `X`Ug\_`gi W `ei Ygh]cbg`Ugž` \ck `cZb`UfY` \Ufa g`cf`VYbYZ]g` ]\_Y`mh`c`cWV`f3` <ck `YUgm]g`]h`c`gYdUfUHY`h\Y`VYbYZ]WU`g\Y`g\YA





# C h Yf'5fYUg

- A ]b]a i a 'UXj Yfh]gYX'df]W'g'fA 5DŁ
- 6i bX`YX`X]gVŁi bhg
- H\fyg\c`X#J`!i b]hX]gVŁi bhg
- @cmJ`hmX]gVŁi bhg
- 9I W g]cb#fYZ gU`g'hc`XYU`
- DfYXUh]cb
- Hm]b[

&"`C b`]bY`6Y\Uj ]cfU`5Xj Yfh]g]b[

- HfUW\_]b[ `cZU`Wcbgi a Yf`g`cb`]bY`  
UW]H]hY(g`]S`q]X]f`h`qXQ U`f`c`a`q`fi`aW

## 7 cbgi a Yf: YXYfUhc b'cZ5a Yf]W

- “6YWLi gY`VY\Uj ]cfU`hUf[ Yh]b[ ]bj c`j Yg`dfUW]WYg`h UhUfY`]b\YfYbh`mXYWdh]j Y`h`YmX]ghc`fh`Vcbgi a dh]cb" `H\Y` ]b\YfYbh`mXYWdh]j Y`dfUW]WYg`h Uh dYfj UXY`h`Y`VY\Uj ]cfU`a Uf\_Yh]b[ `gdUWY`]bW XY`gi [ [ Ygh]cbg`cZ fY`Uh]cbg\]dg`h UhXc`bch`YI ]ghUbX`i gY`cZ]bZcfa Uh]cb`UVci h`h`Y`Vcbgi a Yf`h`Uh h`Y`Vcbgi a Yf`\Ug`bchik ]`]b[ `mX]j i `[ YX`hc`h`Y`gY`Yf”

# MU\cc°

- “H\Y`UXj Yfh]g]b[ `a cXY` \Ug'a UXY`  
=bhYfbYhVcbhYbhUbX`gYfj ]Wg`Uj U]UV`Y`  
hc`a ]`]cbg`cZdYcd`Y`]b`h\Y`I b]hYX`  
GhUHYg`UbX`Ufci bX`h\Y`k cfX—Zcf`ZY`Y`  
H\Y`Vi`g]bYgg`a cXY`cZfY`m]b[ `cb`  
UXj Yfh]g]b[ `fYj Ybi Y`hc`Z bX`k YVg]hYg`  
\Ug'a YUbh`h`Uhij UghiUa ci bhg`cZ  
]bZcfa Uh]cb`cb`h\Y`=bhYfbYh\Ug`VYYb`  
Z `mUWVYgg]V`Y`hc`dYcd`Y`cZU``U[ Yg`  
UbX`]bVca Y`Yj Y`g”

# 7 cbgi a Yf: YXYfU]cb `cZ5a Yf]WU

- “H\Y`YI ]gh]b[ `a Uf\_Yhd`UWY`WYUHyg`U`  
fUWY`hc`h\Y`Vchca`k`YfY`h\Y`a`cgh  
]bj Ug]j Y`Vca`dUb]Yg`k`]`gi`WY`YX`UbX`  
Wcbgi a Yfg`k`]`bch`Uj Y`Ubm`YZY`Wj Y`  
cdh]cbg`– Uggi a ]b[ `h`Uh`h`Ym`UfY`Yj`Yb`  
Uk UfY`cZ`h`Y`ZUW`h`Uh`h`Ym`UfY`VY]b[ `  
hfUW`YX””



# F YgYUfVX 'C ddcfhi b]h]Yg

- =ggi Yg'fY`UhYX'hc`Vch\`Včbgi a Yf' dfchYW]cb`UbX`Ubh]hfi gh
- 9a d]f]W]`m]YI Ua ]bY`“fi ]bci g' Wča dYh]h]cb”
- 7 ca dYh]h]cbž'df]j UW]miUbX`X]gWčgi fY`
- E i Ubh]Z]b[ `dcg]h]j Y`UbX`bY[ Uh]j Y` YI hYfbU`]h]Yg`UggcV]UhYX`k ]h`VY\Uj ]cfU` UXj Yfh]g]b[
- E i Ubh]Z]b[ `h`Y`Wčghg`UbX`VYbYZ]hg`cZ cb`]bY`VY\Uj ]cfU`UXj Yfh]g]b[





## 6fcUXYf'Dc]bhg

- 9a d]f]WU`Yj ]XYbW`a UhhYfg`]b`h`Y`k cf`X`cZ dc`]Wn
- 5WUXYa ]WdfYZfYbW`g`h`UhiWU`b`bY[ ]Uhj`Y`m ]a dUW`idi V`]Wdc`]Wn.

# Gca Y`7 i ffYbhF YgYUfW`Vm: H7`9Wcbca ]ghg`

- F YgYUfW`Vm: H7`YWcbca ]Mg`]g`U`i`gYZ` `g][`bU`Zcf`UfYUg`cZdc`]Mh`fY`Yj`UbhfYgYUfW`
  - F Yj`YU`YX`dfYZfYbW`
  - 7 cbg]XYfUV`Y`]bhYfUW]cb`k`]h`dc`]Mh`a`U`Yfg`
  - 7 cbg]XYfUV`Y`]bXi`ghfmUbX`YWcbca ]Mh`dYfh]gY`
- < ][`\\`][`\\hdUdYfg`]b`Z]j`Y`UfYUg`hcXUm`
  - 7 cghg`cZXfi`[`XYj`Y`cda`YbhfV`\\f]g`5XUa`gk`
  - < cgd]hU`a`Yf[`Yf`fYhfcgdYW]j`Yg`fV`\\f]g`;`Ufa`cbk`
  - ;`Ugc`]bY`a`Uf`Yhg`f`c`\\b`M`bž`DUi``N]a`a`Yfa`Ubž/`7`\\f]g`HUm`cfl`
  - =a`dUW]cZYXi`W]h]cb`cb`“\\YU`h`ghU`h`g”`fGHYj`Y`HYbbž`8ci`[`<`Yfa`Ubž/`6fYhik`YbX`]b[`k`
  - A`Yf[`Yf`g]a`i`U]h]cb`fA`Uhh`Yk`K`Y]bVYf[`UbX`8Ub]Y`<`cg`\_Yb`k`



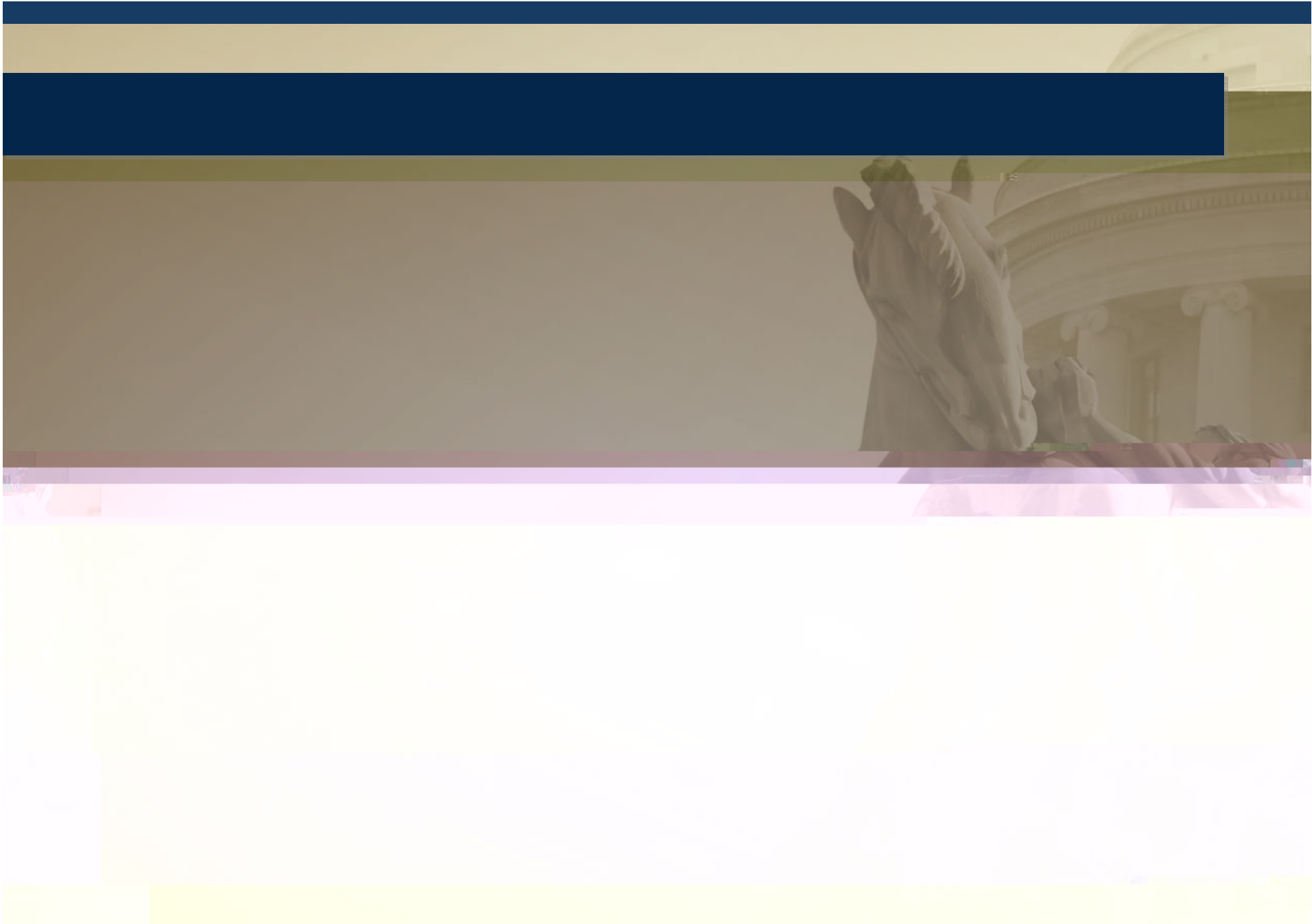
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7 \f]ghcd\Yf'D"5XUa gž' 9WŁbca ]Mj'cZBYk '  
8fi [ '8Yj Y`cda Ybh

- =ggi Yg

- K \UhXcYg]hWŁghic 'XYj Y`cd'U'bYk 'Xfi [ 'fH'Y'  
bYWggUfmifYh' fb'cb' ]bj Ygha Ybhž'UbX'k \Uh]g'h'Y'  
“Vi fb'fUH'3”

- <ck 'Xc 'WŁghj UfmUWcgg'Xfi [ g'UbX'd\UgYg'cZXYj Y



## 6i h..9gha UHYg'J UfmVm≠bX]WWh]cb 'UbX': ]fa

- *dj* Uf]Yg'Vmidf]a Ufm]bX]WWh]cb 'Zfca '  
"\$('hc'") -
- *@j* Uf]Yg'Zfca' (" - 'mYUfg'hc', " - 'mYUfg'  
VmZ]fa
- F Yei ]fYX'fYh' fb'fUb[ Yg'Zfca' UVci h  
~ ) \$\$'a ]`]cb'hc' ~ &ž\$\$\$'a ]`]cbž  
XYdYbX]b[ 'cb'h\Y']bX]WWh]cb

## ⇒ a d`]W]h]cbg

- 7 Ub`fYd`]W]hY`8]A Ug]`YhU`"g`  
“Uj YfU[ Y” Ygh]a UhYg`i g]b[`  
di V`]W]`mUj U]UV`Y`XU]U
- 7 Ui h]cb`]b`i g]b[`~ , \$&`a ]``cb`Z[ i fY`  
]b`dc`]W]mXYVUhYg
  - G][ b]Z]W]bhj Uf]Uh]cb`Vmdf]a Ufm]bX]W]h]cb`  
UbX`Z]fa
  - BchU`a YUgi fY`cZYI dYbX]h`fYž`Vi hUb`  
]bj Ygha Ybh`i fX`Y
  - 8cYg`bchXYhYfa ]bY`df]W]



## < cgd]hU`F YhfcgdYWj Yg

- 7 \ f]ghcd\Yf; Ufa cbž“H\Y`9j Ubghcb`  
Bcfh\k YghYfb` < YU`h\WfY`UbX` < ][ \ `UbX`DUf`\_`  
< cgd]hU`A Yf[ Yf`
- DUfhcZU`VfcUXYf`\cgd]hU`fYhfcgdYWj Yg`  
dfc`YWh`Uh]bWl XYg
  - Gh`H\YfYgY`A YX]Wl`7 YbhYf# ]WcfmA Ya cf]U`  
< cgd]hU`fK Ui \_Y[ Ubž`@Ł
  - Gi hYf`5`hU`6UhYg#Gi a a ]h< cgd]hU`f9Ugh6Umž`7 5Ł
  - 8cWcfj`F Y[ ]cbU`A YX]Wl`7 YbhYf#@i W@YY`  
< cgd]hU`fDcd`Uf`6`i ZZ`A C Ł
  - BYk` < Ubcj Yf`F Y[ ]cbU`A YX]Wl`7 YbhYf#7 UdY` : YUf`  
< cgd]hU`fK ]`a ]b[ hcbž`B 7 Ł



- % - ' !&\$\$\$ . ' < cgd]hU`'a Yf[ Yf`k Uj Y
  - %ž\$( &`cgd]hU`'a Yf[ Yfg
- Dcgg]V`Y`Vc bhf]Vi h]b[ `ZUWc fg.
  - 9I Wgg`WdUW]m
    - G\cfhYf`cgd]hU`ghUmg/a cfY`ci h]dUh]Ybhi  
dfcWXi fYg
    - F ]gY`cZa UbU[ YX`WfY
      - < cgd]hU`f]g\_`dcc`]b[
      - @Yj YfU[ Y`U[ U]bgha UbU[ YX`WfY`Vca dUb]Yg

# < cgd]hU`A Yf[ Yfg`UbX`5bh]hfi gh

- %σ , %d%σ - &. " - + ` \cgd]hU`a Yf[ Yfg  
– : H7 #8C >`dfcgdYWij Y`mWU`Yb[ YX`%)  
– %ζ `D=ej`[ fUbhYX
- %σ - ' !&\$\$\$\$. %ž\$( & ` \cgd]hU`a Yf[ Yfg  
– : H7 #8C >`dfcgdYWij Y`mWU`Yb[ YX`\*  
– \$`D=ej`[ fUbhYX
- =a dYhi g`Zcf`h\Y` : H7 `g` \cgd]hU`a Yf[ Yf`  
fYhfcgdYWij Yg`dfc`YW

# C V Y W j Y g U b X G Y Y W j c b

- Hk c c V Y W j Y g.

- F Y g Y U f W X . ' 9 I U a ] b Y \ c g d ] h U ` a Y f [ Y f g ' f Y h f c g d Y W j Y ` m i h c ` V Y h i Y f ' i b X Y f g h U b X ` h Y ] f ' Y Z Z Y W g ž d U f h ] W ` U f m i f Y [ U f X ] b [ ' d f ] W
- 9 b Z c f W a Y b h . D c h Y b h ] U ` m i W X U ` Y b [ Y ' a Y f [ Y f g ' Z c i b X ` h c ` V Y ` U b h ] W c a d Y h ] h j Y

-

# 9a d]f]WU`A Yh\cXc`c[ m

- 8 ]ZZYfYbWY` ]b` 8 ]ZZYfYbWYg.
  - Dcgha Yf[ Yf`df]WY`WXUb[ Y`fY`UH]j Y`hc`U`Wcbhfc``  
[ fci dž`Wcbhfc``]b[ `Zcf`WXUb[ Yg`]b`WUgY!a ]l`fY"[ "ž  
Uj YfU[ Y`gYj Yf]hmcZdUh]Ybhgk`UbX`ch`Yf`ZUWcfcg
- €ggi Yg.
  - 7cbhfc``[ fci d.`BYUfVmfUdcgg]V`Y`f]j U`YZZYWgk`cf`  
Y`gYk` \YfY`fUdcgg]V`mX]ZZYfYbh`Wcgh#XYa UbX`  
WcbX]h]cbgk3
  - H]a Y`cZYj Ybh`A Yf[ Yf`XUH`cf`YZZYWj Y`XUH`cZZ]fghi  
dcgha Yf[ Yf`WcbhFUW3
  - E i U`]hm`WXUb[ Yg.`Bc`g]b[ `Y#gi a a Ufma Yhf]W  
Uj U]UV`Y



# F Ygi `hg. '9j Ubghcb#< ][ \ `UbX'DUf\_

- @Uf[ Y `df]WY `]bWYUgYg'Uhf]Vi hUV`Y`hc`h`Y`a Yf[ Yf  
– %/%% i `UWcgg'U``dUmYfgž'XYdYbX]b[ `cb`Včbhfç`  
[ fci d`UbX`WUgY!a ]l `Včbhfç`g  
– : cf`gca Y`dUmYfg#dfcXi Wgž'df]WY `]bWYUgYg'[ fYUhf`  
h`Ub`+\$l

- H]a YhUV`Y

&\$\$&. : H7 `]ggi Yg`Vča d`U]bh`ghUfhg`UXa ]b]ghfUhj Y`  
dfcWYX]b[ g

&\$\$) . '5@> fi `Yg`Zcf: H7 `ghUZZ/cfXYfg`X]j Ygh]hi fY`cZ  
< D

&\$\$+. : H7 `UZZ]fa g'5@> g'fi `]b[ ž'Vi hcfXYfg`  
gYdUfUhf`VčbhfUW]b[

&\$\$, . '9B < `XYW]XYg`hc`Xfcd`UddYU`g

- 7 \ U]fa Ub`? cj UVW\ Ug`U`ghfcb[ `]bhYfYgh]b`  
fYhfcgdYW]j Yg



A YW Ub]ga g' = a dUW]b[ ' < YU`h` GhUh` g

- GhYj Y`HYbbž'8ci [ ' < Yfa Ubž'6fYh`  
K YbX`]b[ ž“H\Y`F c`Y`cZ9Xi W]h]cb` ]b`  
h\Y`DfcXi W]cb`cZ < YU`h`. '5b`9a d]f]WU`  
5bU`mg]g`cZGa c\_]b[ '6Y`Uj ]cf`

# A cXY`]b[ `5ddfcUWx

- I gY` ]bYUf`dfcVUV`]hmi cXY` hc`YI Ua ]bY`h`Y`W]i gU` fY`Uh]cbg\ ]d`VYhk YYb`YXi W]h]cb`UbX`h`Y`dfcVUV`]hmi h`UhUb` ]bX]j ]Xi U`ga c\_Yg
- H\ fYY`X]ZYfYbha YUgi fYg`cZga c\_]b[ .
  - 9j Yf`Ga c\_Y
  - 7i ffYbhmiGa c\_Y`f%\$\$` ]ZYha Y`W] g`Z`ga c\_Y` ]b`h`Y`Ughi a cbhŁ
  - Ga c\_Y`9j YfmXUm
- 7cbhfc`g`Zcf.
  - Gh XYbhghUhi g
  - 5[ Y
  - 6]fh`7c\cfhf]"Y"mYUf`cZh`Y`gi fj Ynt
  - Ch`Yf`cVgYfj UV`Yg`fY"[ ""fUW]ž[ YbXYfž`mYUf`UbX`ghUHY`Z] YX` YZYWgt

# ⇒XYbh]ZVWh]cb`GhfUHY[ m

- A i gh'Wcbhfc`Zcf'h'Y'i bcVgYfj YX`]bX]j ]Xi U` V\UfUWYf]gh]Wg'UZZYW]b[ `h'Y'XYW]g]cb`hc`ga c\_Y'h'Uh a Um'VY`Wc'ffY`UH'X`k ]h`YXi WWh]cb`Yj Y`
- 5`dfYj ]ci g'fga c\_]b[ E'ghi X]Yg'Wcbhfc`Zcf'h'Y' "YbXc[ YbY]h'm' cZYXi WWh]cb`i g]b[ `≡ g.
  - DfcV`Ya Uh]W]Z]bghfi a Ybhg'UfY`]bj U`X
  - H\Y`]bghfi a Ybhg'i gYX`fYei ]fY`Z bW]cbU`Zcfa `Uggi a dh]cbg` Zcf`Wc`cfh'YZZYW]g
- Ga c\_]b[ `ci h'Wca Yg'UfY`XYH'fa ]bYX`Uh'h'Y`gUa Y`h]a Y` Ug`YXi WWh]cbU`V\c]W]g.
  - ⇒XYbh]Zmi'h'Y`fY`Uh]cbg\]d`Vm'YI d`c]h]b[ `h'Y`ZUWih'YgY`XYW]g]cbg UfY`a UXY`hc[ Y'h'Yf
  - I gY`U`"Wcbhfc`[ fci d`" hc`YI Ua ]bY`h'Y`YZZYW]cZH'Y` "YXi WWh]cb`" hfYUha Ybhicb`ga c\_]b[

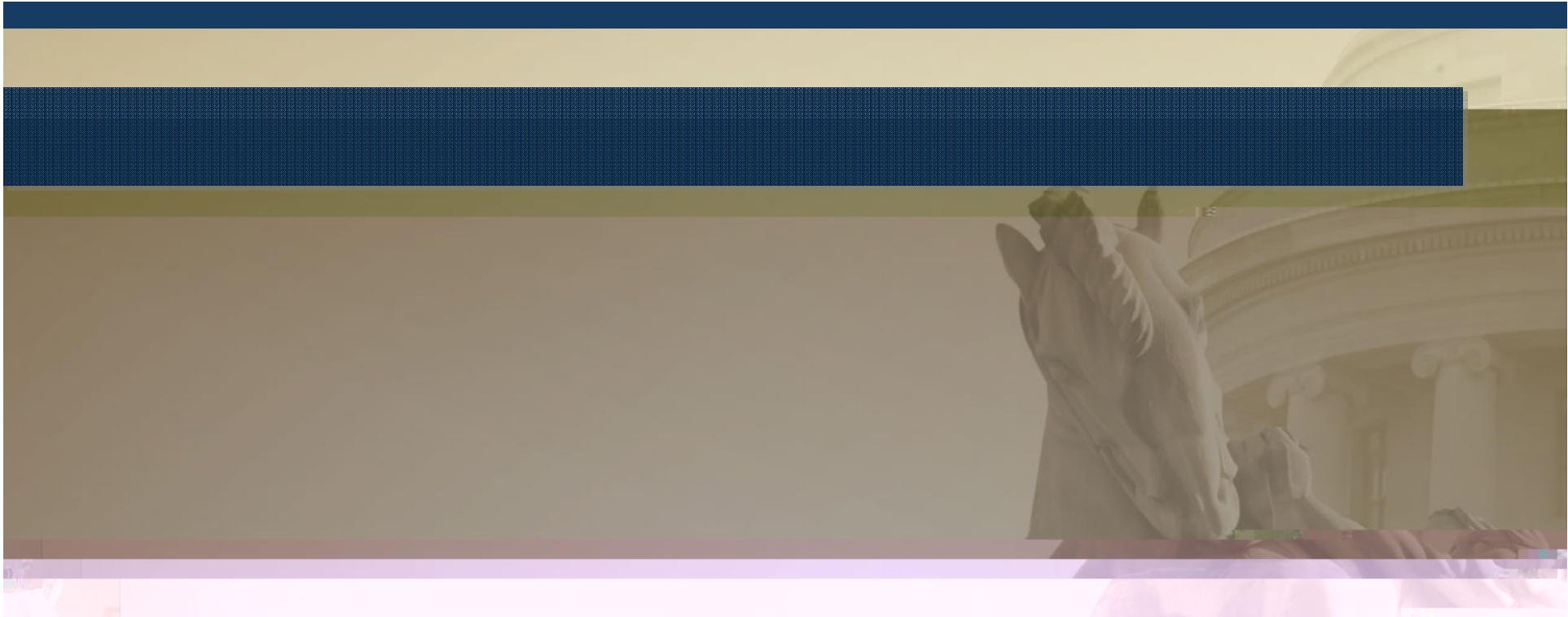


# 7 cbhfc` ; fci d'A Yh\cXc`c[ m

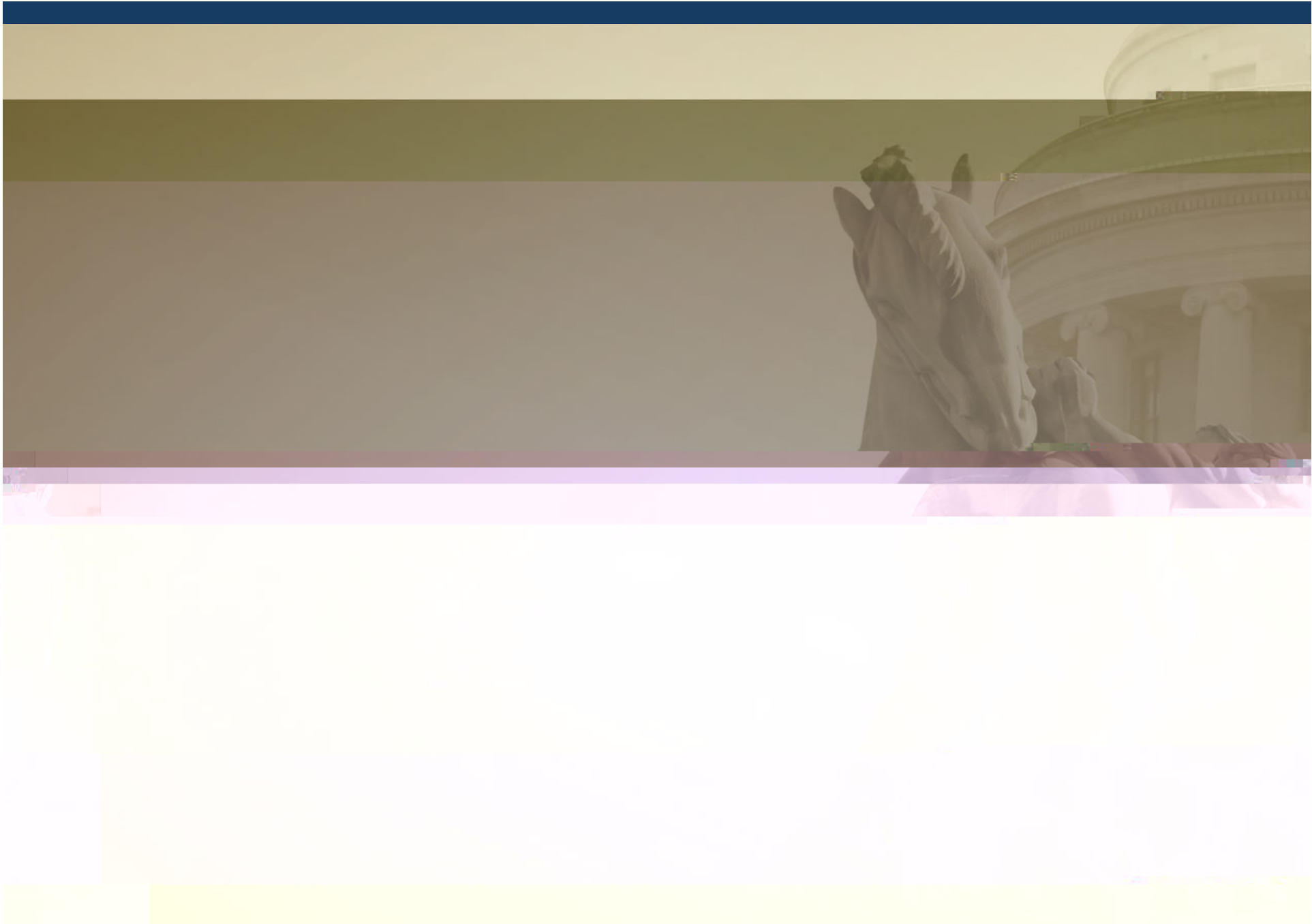
- 7 ca dUfY`ga c\_]b[ `XYW]g]cbg`cZ%\*!&) `mYUf!c`X` ]bX]j ]Xi U`g`U[ U]bghiU`“Vcbhfc`` [ fci d” cZ]bX]j ]Xi U`g` k \c`UfY`cb`mU`mYUf`c`XYf`UbX`k \c`a U\_Y`YI UW`mih`Y` gUa Y`YXi W]h]cbU`XYW]g]cbg`Ug`h`Ya gY`j`Yg
- ⇒XYbh]Z]W]h]cb`ghfU]Y[ m]g`g]a ]Uf`hc`U`“: ]I YX!9ZZYW]g” UbU`ng]g.
  - 7 UbbchidYfZcfa `U`ghUbXUfX`Z]I YX!YZZYW]g`UbU`ng]g`VYW]i`gY` 7 DG`XcYg`bchicVgYfj`Y`ga c\_]b[ `ghU]i`g`VXUb[`Yg
- H\Y`a Yh\cX`U`ck`g`Zcf`a`cfY`ZYI ]V`Y`Z]I YX!YZZYW]h` Vcbhfc`g.
  - GhUbXUfX`Z]I YX!YZZYW]h`a`cXY`]a`dcgYg`h`Uhi`bcVgYfj`YX` ]bX]j ]Xi U`YZZYW]g`a`i`ghVY`VcbghUbhcj`Yf`h]a`Y
  - H\Y]f`a`Yh\cXc`c[ m]XcYg`bch]a`dcgY`h`UhUggi`a`dh]cb





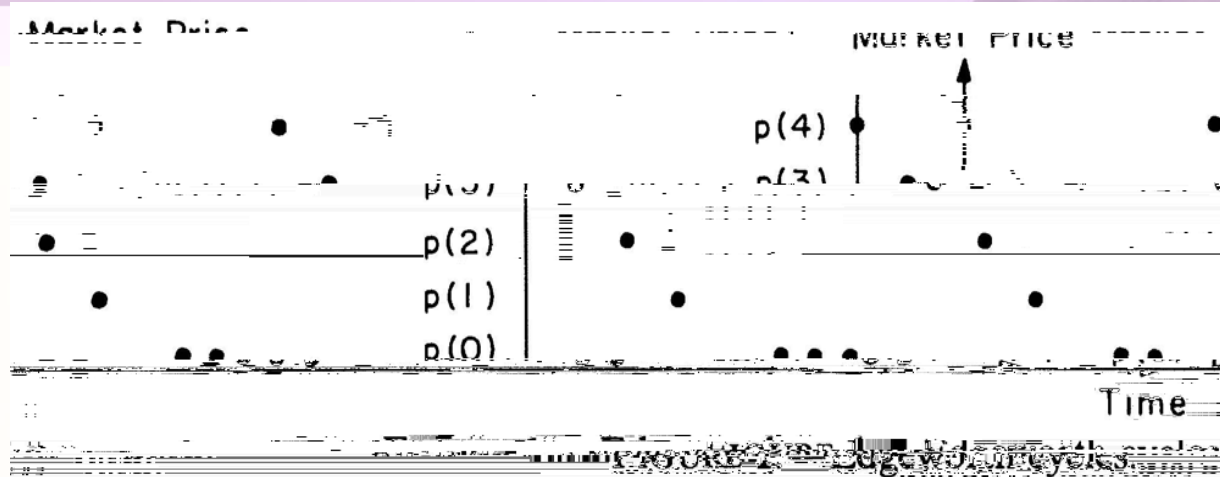






# 9X[ Yk cfh 7 mWYg. '6UW\_[ fci bX

- H\YcfYh]W`i bXYfd]bb]b[ g. 'A Ug\_]b 'UbX' H]fc`Y`f% , , t
- “Guk hcch” dUHYfb`cZdf]W`XmbUa ]Wg



# F YWbh5dd`]W]h]cbg`hc ; Ugc`]bY`A Uf\_Yhg

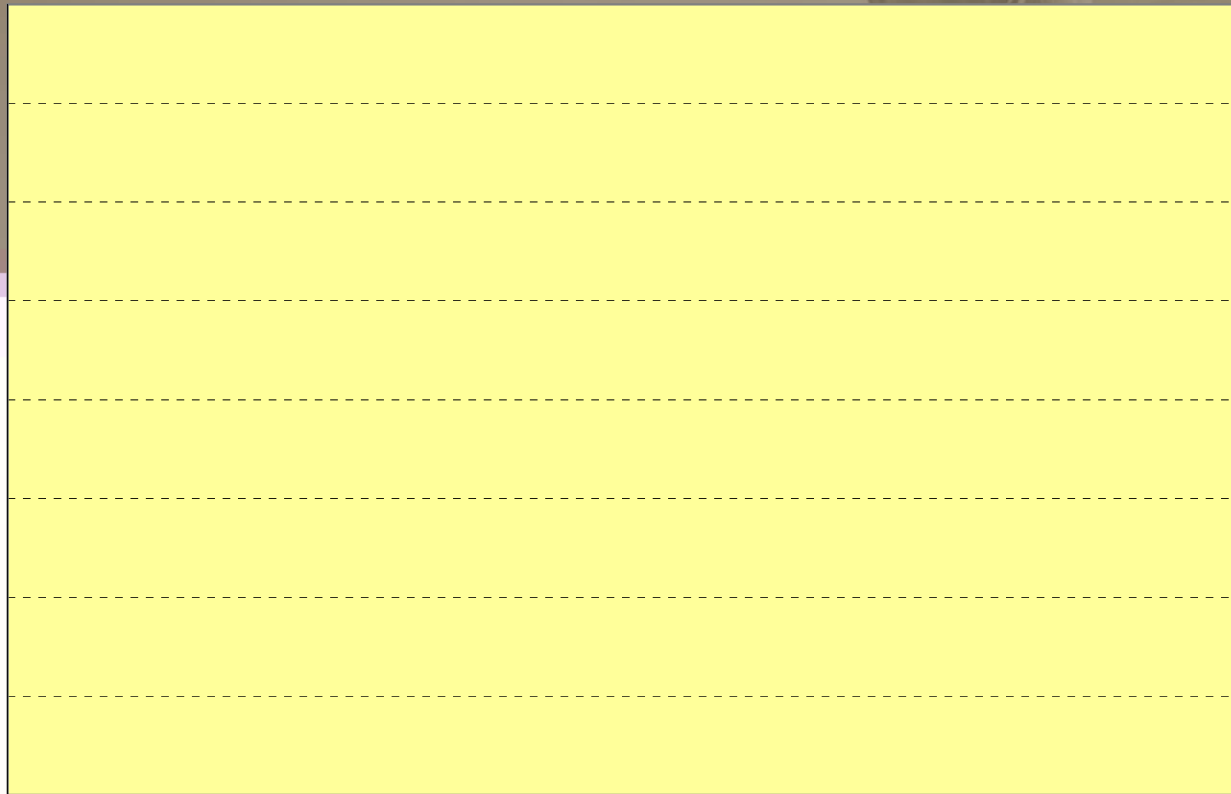
- 7 UbUXU`UbX`5i ghfU`]U
  - 9W\_Yfh`9W\_Yfh` `K Ygh`BcY`/5h\_]bgcb/K Ub[
- | "G"
  - @Yk ]g`f&\$\$, Ł
    - , ) `W]Yg`fA ]Xk Ygh`A ]X!5hUbh]W`Gci h Ł`XU]mž`&\$\$(!\$)
  - 8cmY`YhU`"f&\$\$+Ł
    - %%`W]Yg`fA ]Xk Ygh`Bc fh`YUgh`Ł`XU]mž`&\$\$\$!\$%



# H\]g`Gh Xm

- 7 ca dfY\Ybg]j Y`cc\_`Uhd]WY`Ww]b[`dUhyfbg`  
]b`h\Y`I "G"
  - ' ) ) `W]Yg
  - XU]mž`% - , !&\$\$+
- ; fUXYg. fY[ i `Uf`i b`YUXYX/dfYa ]i a`  
i b`YUXYX/X]YgY`
- 7 cbhfc`Zcf`k \c`YgU`Y`df]WY`g`fZcf`&\$`W]Ygk
  - i bVfUbXYX`fUW`
  - VfUbXYX`fUW`
- 8 UhU`Gci fWY. `C D=€

GH'@ci ]g'7 mWYg



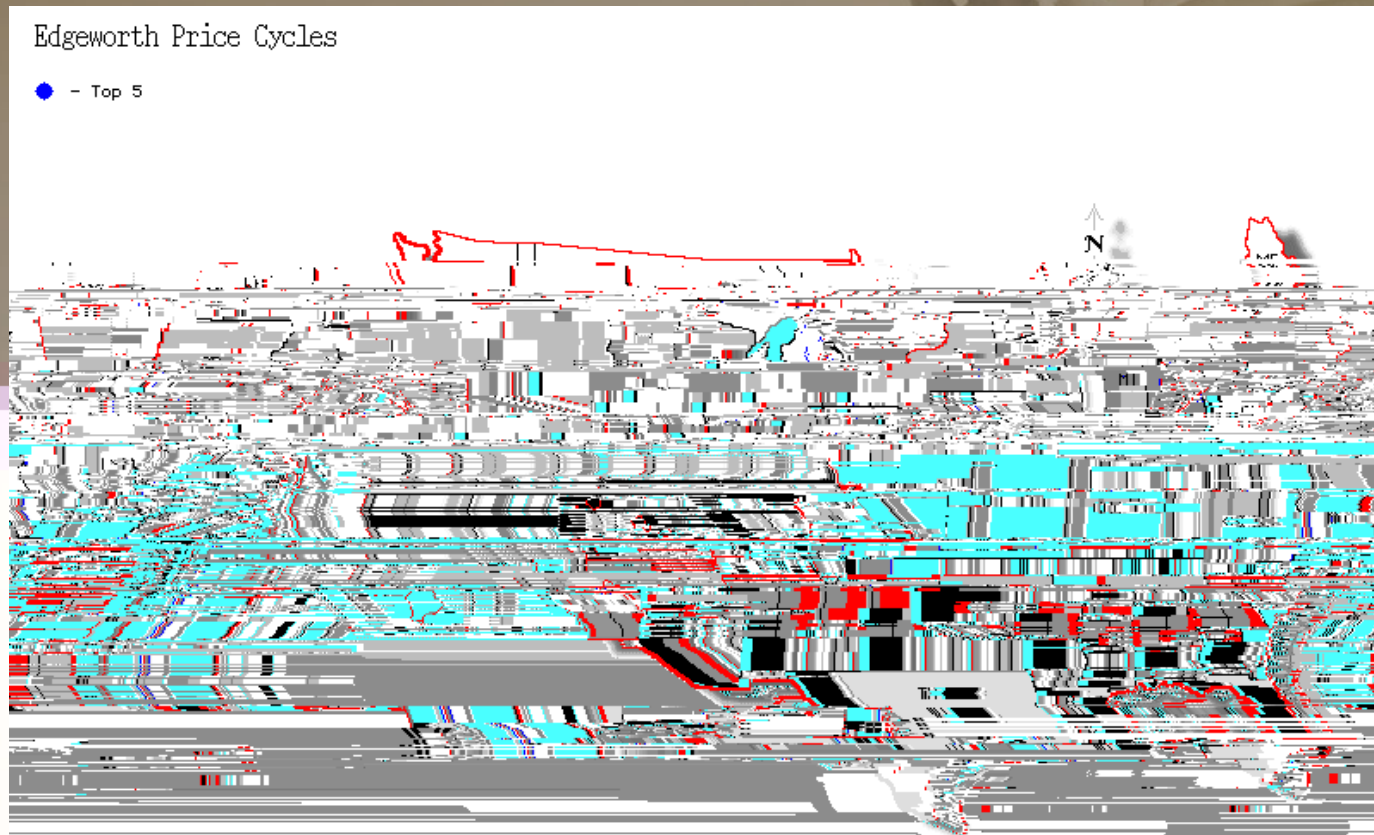




# 9a d]f]WU`8 YZ]b]h]cb`cZU`“7 mWY”

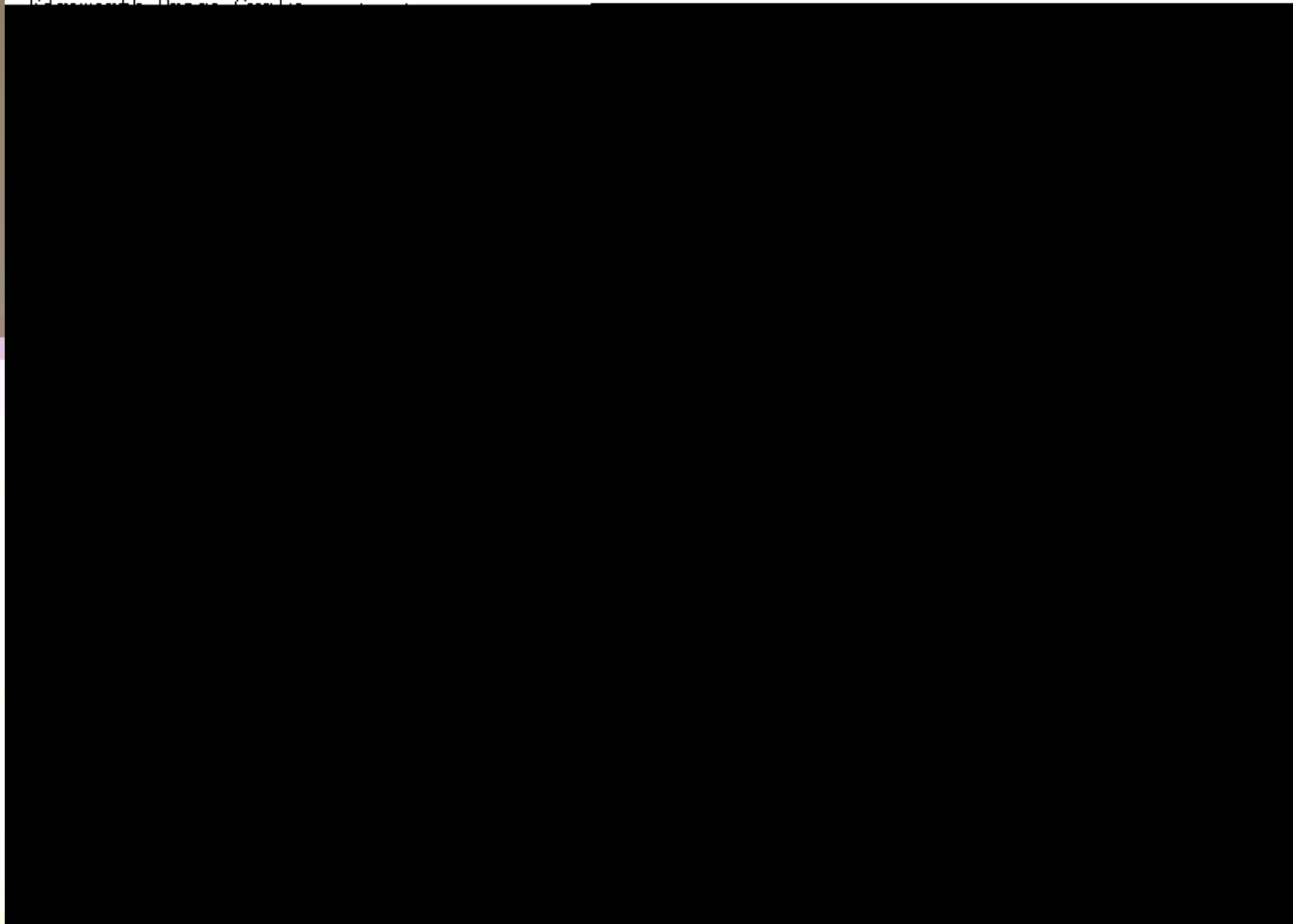
- 8 YZ]bY`U`“mWY” Ug`U`dYf]cX`k` \YfY`h`YfY`]g`U`df]WY`]bWYUgY`Zc`ck`YX`VmUh`YUghcbY`df]WY`XYWYUgY”
- ⇒Ybh]Zm9X[ Yk`cfh`df]WY`mWY]b[ `i`g]b[ `h`fYY`UddfcUMX`Yg.
  - 5j`YfU[ Y`fUh]c`cZXck`b`hc`i`d`XUm]g`UWcgg`U`“mWYg
  - 5j`YfU[ Y`fUh]c`cZi`d`hc`Xck`b`Ua`ci`bh]g`UWcgg`U`“mWYg
  - A`YX]Ub`WU`Ub[ Y`]b`XU]`m]df]WY

# Hcd') 'GHU'g



# 6chca % GHYg

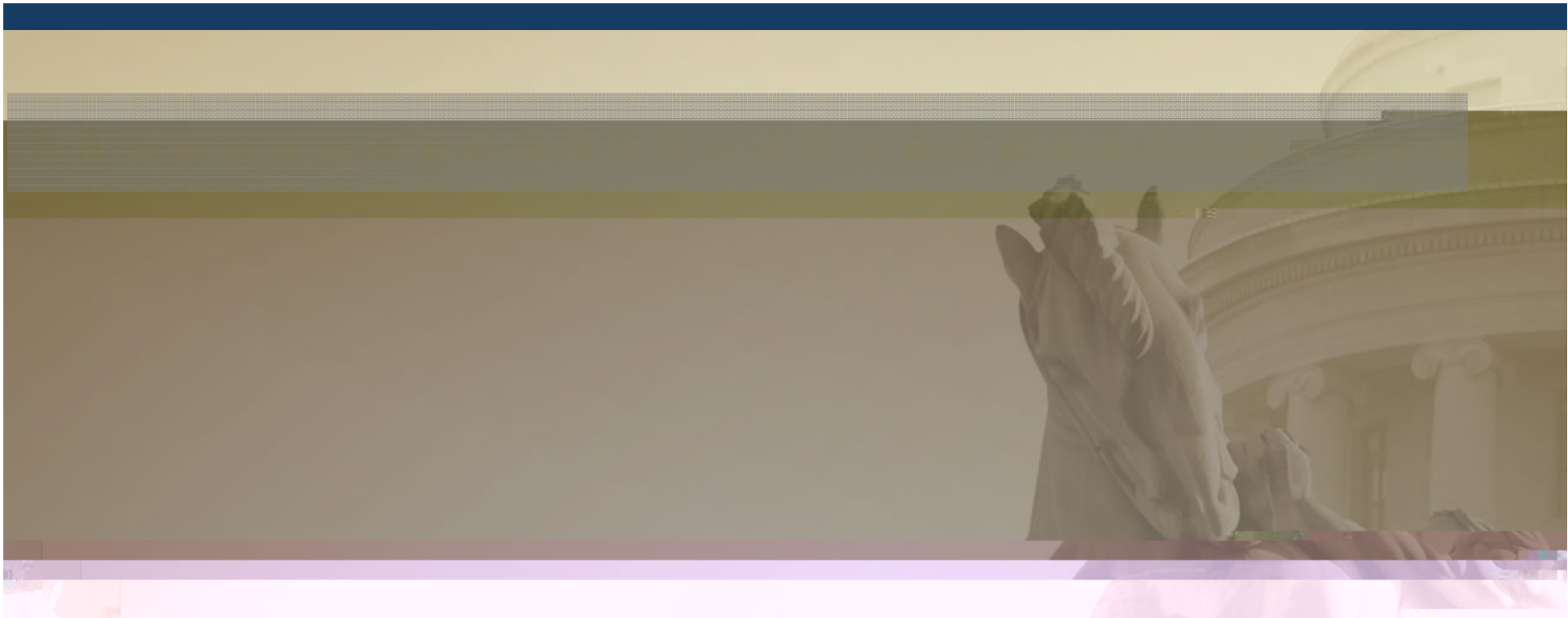
Edgewood Drive Center



# : ]bX]b[ g

- Df]W' W]b[ ' ]g'a cghidfYj U`Ybh'UbX'gYj YfY' ]b' h\Y'A ]Xk Ygh—dUfh]W' Uf mC \ ]c' UbX'A ]W] [ Ub"
- K \ ]Y'fY[ i `Uf'UbX'dfYa ]i a '[ Ugc` ]bY'df]W'g' W]b'Zc`ck 'U'W]b[ 'dUhhYfbž'X]YgY`'df]W'g' U`a cghibYj Yf'Xc"
- @]hY' mYUf! hc! mYUf'j Uf]Uh]cb' ]b'df]W' W]WY' dUhhYfbg'k ]h ]b'U'W]m
- Gca Y'fVi hibchiU`Ł'cZfYhU]'df]W' W]W]b[ 'W]b' VY'YI d`U]bYX'Vm]W]Ub[ Yg' ]b'k \c`YgU`Y'df]W'g





# A chj Uhcb

5bh]fi ghU[ YbWYg fc`Y`]g'hc`]XYbh]ZmiUbX`  
WXU`Yb[ Y`Ubh]Wca dYh]hj Y`a Yf[ Yfg  
8 ]Z]W`h]hc`ZcfYW]ghdf]WY`YZZYW]g`cZ  
a Yf[ Yfg

HfUX]h]cbU`]bj Ygh][ Uhj Y`UddfcUWX`  
`Uf[ Y`mei U`]hUhj Y

8 Ya UbX`Ygh]a Uh]cb#a Yf[ Yf`g]a i `Uh]cb

Df]bW]d`Y`5Xj UbhU[ Y.`@Ygg`gi V`YW]j Y`h`Ub`  
hfUX]h]cbU`fYj ]Yk ž`WYUf`UVci hUggi a dh]cbg  
Df]bW]d`Y`8 ]gUXj UbhU[ Y.`5ggi a dh]cbg`UfY`  
ghfcb[ ž`W`ffYbh`m`]h`Y`Ya d]f]W]`j U`]XUh]cb







# A Yf[ Yfg'9l Ua ]bYX

- DYbbnc]`#E i U\_Yf'GhUHY'A chcf'C ]`
- @c[ '7 UV]b#A fg" '6i hNYfk cfn '6fYU\_ZUghi  
Gmfi d
-

# A cXY`g`UbX`5ggi a dh]cbg

- 8Ya UbX`Ygh]a Uh]cb`VUgYX`cb`h`fYY`  
U`hYfbUh]j`Y`XYa UbX`gmg]hYa`g
  - @c[ ]h
  - 5=8G
  - @]bYUf
- 6ch`C`@G`UbX`≡
- :`]fa`VY`Uj`]cf
  - GhUh]WfX]ZYfYbh]UhYX`dfcXi`W`6YfhfUbX`df]W]b[
  - 7cbghUbhia`Uf[ ]bU`Vcg]g
- G]a`i`U`hYX`df]W`YZZY`Wg`Zcf`U`dfcXi`Wg`]b`  
a`Uf`\_Yh
  - I`gYX`dUfUa`Yh]W`cch]ghfUd`h`c`VhU]b`X]ghf]Vi`h]cb`cZ`  
g]a`i`U`hYX`df]W`W`Ub[`Yg`fbc]bcfa`U`gUa`d`]b[`  
X]ghf]Vi`h]cb`cZ`g]a`i`U`hYX`df]W`W`Ub[`Yg]k

# FYGI 'hg'fDYfWbhU[ Y'7 \ Ub[ Y']b'Df]Wgk'

Products	Estimated Price Changes		Simulated Price Changes						
	Difference in Difference	Difference	OLS	AIDS	IV	OLS	Linear	IV	Logit
Pennzoil/Quaker State Merger									
Pennzoil	3.71	1.95	2.19		76.73	1.17		1.47	0.14
	(1.91)	(1.79)	(0.19, 4.03)		(-384.59, 1515.61)	(0.53, 2.55)		(0.32, 5.62)	(0.09, 0.34)
Quaker State	7.65	5.62	2.05		26.25	1.02		6.25	0.52
	(1.55)	(1.55)	(0.11, 3.99)		(-26.25, 133.75)	(0.47, 1.57)		(0.45, 6.05)	(0.45, 0.59)

# Gca Y`F Ya Uf\_g

- F Ygi `hg`UfY`Wca d`Ya YbhUfmihc`U`Zcfh`Wca ]b[ ` dUdYf`Vm<i Ub[ ž`F c`Ugž`UbX`6Ugg`f&\$\$+Ł
  - A cbhY`7 Ufc`UddfcUMX
  - 9l Ua ]bYg`a ]ggdYWVZWH]cb
- K \]`Y`XYa UbX`dUfUa YhYf`Ygh]a UhYg`X]ZYf` k \Yb`Ygh]a UhYX`k ]h`dfY`cf`dcgha Yf[ Yf`XUHUž` g]a i`Uh]cbg`ei U`]hUh]j Y`mg]a ]Uf`k \Yb`i g]b[ ` Y]h`Yf`h]a Y`dYf]cX"
- @Uf[ Y`VXUb[ Yg`]b`a Uf[ ]bU`Wcghif`hc`% i Ł` bYVYggUfmihc`fYVcbWY`g]a i`Uh]cbg`k ]h`UMh U` df]VY`VXUb[ Yg`]b`h`Y`gmfi d`a Yf[ Yf"

