

**From:** pearl hewett [REDACTED]  
**Sent:** Tuesday, July 03, 2012 6:26 PM  
**To:** Wessel, Ann (ECY)  
**Subject:** DUNGENESS WATER RULE Government monopoly -Coercive monopoly

## My Comment on the Dungeness Water Rule Government Monopoly

**Subject:**  
**DOE DUNGENESS WATER RULE - Government monopoly - Coercive monopoly**

According to economist Murray Rothbard

**"A coercive monopolist will tend to perform his service badly and inefficiently."**

**DEBT of US Postal Service US: \$15,724,907,364,995 - as of June 2012**

**DEBT OF FEMA \$18,000,000,000 under water (will be doubling rates 100% in 4 years)**

In economics, a **government monopoly** (or **public monopoly**) is a form of coercive monopoly in which a government agency or government corporation is the sole provider of a particular good or service and competition is prohibited by law. It is a monopoly created by the government.<sup>[1]</sup> It is usually distinguished from a government-granted monopoly, where the government grants a monopoly to a private individual or company.

A government monopoly may be run by any level of government - national, regional, local; for levels below the national, it is a local monopoly. The term **state monopoly** usually means a government monopoly run by the national government, although it may also refer to monopolies run by regional entities called "states" (notably the U.S. states).

In addition to the Dungeness Water rule, the DOE intends takeover of 80 private and municipal water districts. The Dungeness Water Rule is an APPOINTED STATE AGENCY LOOKING FOR A BUSINESS OPPORTUNITY, it will provide the DOE with unconstitutional authority and we the people will be leaving ourselves open to all of the following.

### Anti-competitive practices

- Monopolization
- Collusion
  - Formation of cartels
  - Price fixing
  - Bid rigging
- Product bundling and tying
- Refusal to deal
  - Group boycott
  - Essential facilities

- [Exclusive dealing](#)
- [Dividing territories](#)
- [Conscious parallelism](#)
- [Predatory pricing](#)

## Examples

In many countries, the [postal system](#) is run by the government with competition forbidden by law in some or all services. Also, government monopolies on [public utilities](#), [telecommunications](#) and [railroads](#) have historically been common, though recent decades have seen a strong [privatization](#) trend throughout the [industrialized world](#).

In Scandinavian countries some goods deemed harmful are distributed through a government monopoly. For example, in [Finland](#), [Iceland](#), [Norway](#) and [Sweden](#), government-owned companies have [monopolies for selling alcoholic beverages](#). [Casinos](#) and other institutions for [gambling](#) might also be monopolized. In Finland, the government has also a monopoly to operate slot machines.

Governments often create or allow monopolies to exist and grant them patents. This limits entry and allow the patent-holding firm to earn a monopoly profit from an invention.

Health care systems where the government controls the industry and specifically prohibits competition, such as [in Canada](#), are government monopolies.<sup>[2]</sup>

# Coercive monopoly

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This article includes a [list of references](#), but **its sources remain unclear because it has insufficient [inline citations](#)**. Please help to [improve](#) this article by [introducing](#) more precise citations. (July 2008)

*In [economics](#) and [business ethics](#), a **coercive monopoly** is a business concern that prohibits competitors from entering the field, with the natural result being that the firm is able to make pricing and production decisions independent of competitive forces.<sup>[1]</sup> A coercive monopoly is not merely a sole supplier of a particular kind of good or service (a [monopoly](#)), but it is a monopoly where there is no opportunity to compete through means such as price competition, technological or product innovation, or marketing; entry into the field is closed. As a coercive monopoly is securely shielded from possibility of competition, it is able to make pricing and production decisions with the assurance that no competition will arise. It is a case of a [non-contestable market](#). A coercive monopoly has very few incentives to keep prices low and may deliberately [price gouge](#) consumers by curtailing production.<sup>[2]</sup> Also, according to economist [Murray Rothbard](#), "a coercive monopolist will tend to perform his service badly and inefficiently."<sup>[3]</sup>*

*Advocates of free markets say that the only feasible way that a business could close entry to a field and therefore be able to raise prices free of competitive forces, i.e. be a coercive monopoly, is with the aid of government in restricting competition. It is argued that without government preventing competition, the firm must keep prices low because if they sustain unreasonably high prices, they will attract others to enter the field to compete. In other words, if the monopoly is not protected from competition by government intervention, it still faces [potential competition](#), so that there is an incentive to keep prices low and a disincentive to price gouge (i.e., competitive pressures still exist in a non-coercive monopoly situation).*

## Competition law

### Basic concepts

- [History of competition law](#)
- [Monopoly](#)
  - **Coercive monopoly**
  - [Natural monopoly](#)
- [Barriers to entry](#)
- [Herfindahl–Hirschman Index](#)
- [Market concentration](#)
- [Market power](#)
- [SSNIP test](#)
- [Relevant market](#)
- [Merger control](#)

### Anti-competitive practices

- [Monopolization](#)
- [Collusion](#)
  - Formation of [cartels](#)
  - [Price fixing](#)
  - [Bid rigging](#)
- [Product bundling](#) and [tying](#)
- [Refusal to deal](#)
  - [Group boycott](#)
  - [Essential facilities](#)
- [Exclusive dealing](#)
- [Dividing territories](#)
- [Conscious parallelism](#)
- [Predatory pricing](#)
- [Misuse of patents](#) and [copyrights](#)

### Enforcement authorities and organizations

- [International Competition Network](#)
- [List of competition regulators](#)

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Pearl Rains Hewett