

Verizon Wireless wants to buy unused wireless spectrum from the cable companies: Comcast, Cox Communications, Time Warner Cable and Bright House Networks. Do they need more spectrum though let alone this spectrum?

This is the first question Justice and the F.C.C. need to consider in reviewing all spectrum transactions and merger transactions involving spectrum (like AT&T T-Mobile that was denied and now dead; and AT&T's Qualcomm spectrum buy that ultimately succeeded) going forward. They also have to look at unique characteristics of each transaction and the agreements in each transaction to make sure it does not result in anything anti competitive. The second question is to consider whether this deal between Verizon Wireless and SpectrumCo., along with the cable companies themselves goes against the intent of Congress in opening up the telecommunications marketplace when the 1996 Telecommunications Act was passed into law.

As such Verizon Wireless's non compete agreement with big cable companies is worrisome. After all Verizon's deal with Big Cable could mark the end of the Telecom Act. It is worth noting the Act was designed to help phone companies get into the pay TV business and cable companies to get into the phone business. Yet after a series of regulatory blunders, this promise of increased competition and lower prices has become a distant memory, like 7-Up Gold. And the situation is only getting worse.

Verizon's announcement that it had signed a \$3.6 billion deal with competitors Comcast, Time Warner Cable and Bright House Networks placed a capstone on the 1996 Telecom Act's biggest promise to America of ensuring genuine competition in communications service offerings.

The telco-cable deal comes in two parts. The first lets Verizon buy wireless spectrum ? the public airwaves over which iPads, cellphones and radios receive data ? that these three cable companies teamed up to purchase from the Federal Communications Commission in 2006.

The second part of the deal maps out terms by which the companies agree to stay out of each other's way. While the terms of these agreements remain undisclosed, it's been widely reported that the deal is an accord for the companies to sell one another's services to common customers in their (sometimes overlapping) service territories.

This means Comcast subscribers hoping to see lower prices as a result of Verizon FiOS competition shouldn't hold their breath. It means smartphone owners who wanted more companies to enter the mobile data marketplace got coal for Christmas. It means the future where consumers are empowered to choose the pay-TV channels they want, and not the 500-plus channel bundles they are coerced into buying, could be strangled in its crib. Ultimately, it means the quality of U.S. communications networks will continue to trail that of other developed nations as less competition leads to less incentive to invest in infrastructure.

What's more, this deal directly contradicts the promise Congress made to the country when it passed the 1996 Telecommunications Act. Please reject this deal between Verizon Wireless and the cable

companies outright.

Justice should file an antitrust lawsuit to stop the spectrum deal outright which cites the non compete agreement as the reason for denial. This deal if approved should only be done so conditionally and one of the conditions being Verizon must continue FIOS services whether they want to or not.

Regulators if they approve the spectrum transaction should forbid implementation of the non-compete agreement going forward to protect consumers and keep the communications marketplace open for consumers.