

There is a growing divide in the United States between the people who can afford top-notch Internet access and those who cannot. The best way to close that gap is with more competition. But we're moving in the opposite direction. Unless federal regulators scuttle the anti-competitive pacts just struck between the nation's largest phone and cable companies, we are witnessing the end of broadband competition. Verizon Wireless recently announced major deals to acquire valuable chunks of the public airwaves now held by Comcast, Time Warner Cable, Cox and Bright House Networks. The most stunning part of these deals is a side agreement between the erstwhile competitors to resell each other's products. You'd be able to buy Verizon Wireless service from your friendly neighborhood cable company, or get a cable modem and cable TV service from the Verizon Wireless retailer around the corner. That would put an end to any hope for nationwide competition between truly high-speed Internet service providers, while dousing any chance of next-generation wireless services competing against cable and telco broadband. That means higher prices, fewer choices and less innovation. Things weren't supposed to turn out this way. The last time Congress overhauled the law, in 1996, it decided that competition was the best way "to secure lower prices and higher quality services." But the Federal Communications Commission has generally favored deregulation over rules that would promote competition. For years, giant telephone companies and cable providers have pledged to compete, but they have never fully delivered. Comcast and Time Warner refuse to tread on each other's turf. Verizon and AT&T do the same, confining their landline business to the territories they inherited after the breakup of the Ma Bell system.

With these announcements, the companies have doubled down on their market-division schemes. This is a type of anti-competitive cooperation that would make even an old railroad monopolist blush. Congress and consumer protection agencies have a role to play. The FCC and the antitrust experts at the Department of Justice should take a close look at these agreements. These are the public airwaves, but the public isn't seeing enough benefit from them. The cable companies secured these spectrum licenses at auction in 2006 but never built out their own wireless networks. While it's important to put that resource to use if the cable companies won't, handing it over to Verizon Wireless -- one of the two companies that already dominate the wireless space -- isn't going to bring in any new competition that might encourage innovation or lower prices. On the wired side, where DSL is no longer a viable competitor to cable, Verizon's fiber-optic "FiOS" Internet and TV service consistently outperforms even the fastest cable modem service. However, FiOS is available to only 10 percent of households in the United States, and Verizon has been unwilling to invest to bring the service even to densely populated places such as Baltimore and downtown Boston. This deal suggests that Verizon is done building out and would rather just collude with would-be competitors. FiOS was supposed to compete with cable, just as Verizon Wireless service was supposed to be another broadband "pipe" into the home. These agreements would help to cement in place the dominance of Verizon and AT&T over wireless broadband (which is substantial even with AT&T's takeover of T-Mobile falling apart), while handing the high-speed broadband market entirely to cable companies. Competition was supposed to make broadband more affordable. Having the largest

wireless provider and the largest cable companies repackage each other's products simply won't do that.