

Verizon and AT&T Accused of Being Threats to Democracy

AUSTIN, Texas—Just two companies—Verizon Wireless and AT&T—control 60 percent of the U.S. wireless market. Four companies control 90 percent. A thriving marketplace this is not. And while the lack of competition partly explains why cell phone service in the U.S. is **slower, less reliable and more expensive** than in other developed countries, a perhaps more important reason is that the Federal Communications Commission, the federal agency tasked with protecting the rights and interests of consumers, **chose to neuter itself** a decade ago.

Unfortunately, the stakes are higher for the U.S. than just **lousy service** and exorbitant bills. The current state of affairs threatens the ability of citizens to speak freely in a democracy.

Such was the consensus of a **panel** of legal and policy experts who here spoke at the annual **South by Southwest Interactive conference** this week. “AT&T and Verizon don’t really compete with one another—they copy one another,” said Parul P. Desai, the communications policy counsel for **Consumers Union**, the policy and advocacy division of *Consumer Reports* magazine. As an example, she noted that AT&T recently began to **place limits on the amount of data** that consumers are allowed to download in any given month. “Then Verizon followed suit,” she said, “except with higher prices.”

Price isn’t the only principle in peril. People now use their phones to share information and news directly with one

another, bypassing traditional big-media gatekeepers. Yet the power to censor news or information isn't going away, it's just shifting to the owners of the network. "The ways that we're creating news or connecting with other is under the control of big quasi-monopolistic forces that don't have the same interests as us," said Josh Levy, the Internet campaign director of the non-profit advocacy organization [Free Press](#). "AT&T, Comcast and Verizon are the enablers of free speech, and they can turn off the spigot if they feel like it," he said. As an example, he cited Verizon's 2007 decision to [block text messages](#) sent by a political advocacy organization to its members.

Perversely, speech over old-fashioned analog telephone service is far better protected than speech over the Internet, or any device (like a smart phone) that connects to the Internet. In 2002, the FCC under then-president George W. Bush [decreed](#) that the Internet wasn't a so-called "telecommunications service," and thus subject to federal laws protecting free speech and [competition](#). Instead, it was an "information service," much like a television channel. The owner of the information service determines what kind of information he would like it to host. In practice, this means that the companies that own the infrastructure—cell-phone companies and Internet service providers more generally—decide what content gets through. In a response to an audience question, Desai said that the FCC could perhaps reclassify the Internet as a telecommunications service, a step that *Scientific American* has [championed multiple times](#) in the past.

But until then, consumers in the U.S. are subject to the whims of the wireless carriers. "I don't know if there's ever been anything so important to so many people that's under

the control of such abstract forces,” said Nilay Patel, managing editor of the technology Web site *The Verge*. Until the FCC decides to reassert its authority, consumers will continue to suffer. Let’s hope democracy doesn’t as well.