

When Competition Is Cooked, Consumers Are Toast

Federal Communications Commission and Department of Justice approval of the [Verizon/SpectrumCo](#) deal is inevitable. After the Bush-era Commission decided to unilaterally deregulate utility communications a few years ago, consolidation and harvesting by the companies involved has accelerated. In the “you take wireless, we’ll take wired” world in America, in which Verizon and AT&T stick to their side of the ring and Comcast and Time Warner and the other local cable monopolies stay on theirs, the SpectrumCo transaction is an outcome, not a cause, of the primitive approach to communications that characterizes this country.

Bottom line: The companies involved in the transaction can credibly claim that the deal itself is not going to change the facts on the ground for most Americans. Without “merger-specific harms,” and with an impressive display of bureaucratic sleight-of-hand – FCC got the spectrum part of the deal but DOJ got the joint marketing arrangements, and the two agencies have different statutory authority and DNA, leading to lots of finger-pointing and careful behavior – the companies will avoid being interfered with unduly by the feds.

Some conditions around the edges will be imposed, as in the [Comcast/NBCU merger](#) of 2011, but they won’t grapple with the fundamental problem. It’s as if we’ve allowed electricity transmission companies to dictate what brands of appliances can plug into the grid, who gets service, what people pay for it, what kinds of toast are permitted, and what uses of electricity are preferred. Non-affiliated information flows will be roughed up by discriminatory application of usage caps, technical speed-bumps, and many other mob-like techniques. Meanwhile, Americans are paying more than people in many other countries for services that aren’t as good, even as

inequality in communications leaves more people behind every day. Fully 80% of Fortune 500 companies require online applications for jobs, but a third of Americans don't have high-speed access at home.

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I've been saying for several years now that control by local cable monopolies over information in America is the central communications crisis of our era. The approval of this deal will be yet another piece of evidence that this monopoly power remains unconstrained; if Verizon and Comcast were competing actively with one another in expanding wired connectivity, they wouldn't be collaborating to create a "seamless environment" for their red-branded services.

People launching new high-bandwidth services should be worried, because their fates are dependent on how this "seamless environment" decides to treat them. Watch out, Netflix; if life gets too difficult for you, you may have to join the red team of ComcastVerizonNBCU.

All of this is an embarrassment to the country that should be in first place. Rather than standing by as consolidation continues and Americans are soaked for second-class services, we should be making a national upgrade to reasonably-priced fiber access for all of us.

Fiber policy is wireless policy, and building fiber deep into cities and towns across the country will also get us the nomadic connectivity we can't live without. Say you spend thirty seconds or so waiting for a link to load or an app to function on your wireless device. In Japan, they're not waiting; it may take two seconds or less for a response. Multiply that over all Americans painfully clicking 100 times, assume very conservatively that they're making \$10/hour, and you've got an enormous nationwide productivity loss: \$3 trillion a year.

But without political cover, votes, stupendous campaign contributions, documentaries, snarky viral videos, hard questions at debates, strange-bedfellow alliances, a steady cable-news drumbeat, and some public recognition that utility communications are not the same as other retail sectors, we will be stuck in this primitive state.

Luckily for the rest of us, Millennials — for whom fast online access is like breathing — are shocked by how bad things have gotten. They don't want to leave anyone behind. It's a bigger group than any generational cohort of the past; 102 million strong. They've noticed that new jobs are scarce. They're a place-based group, intrigued by the notion of community connection and organizing. They understand that new ways of making a living will come from the service and manufacturing economy that is spurred by high-speed connectivity and effortless uploads. They vote, they ask questions, they can wield media like no one before them, they are interested in public service, they're fed up with the status quo, and they can spur the creation of the political reality that will be needed to change things up.

I'm not giving up on my generation entirely, but I am looking with great hope to the people who come after me. They are already asking those hard questions. They're not content to let self-deception and short-term expediency rule policy. What feels inevitable to people in Washington, D.C. feels destructive to them.