

## **Comcast ‘a threat to the open Internet,’ former Obama adviser argues**

By: Anne Hobson – February 25, 2013

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A former adviser to President Barack Obama criticized Comcast’s acquisition of NBC Universal as evidence of consumer-hostile business practices in the communications industry, *Ars Technica* reports. Susan Crawford, a visiting professor at Harvard, served as Obama’s special assistant for science, technology and innovation policy.

In her book “Captive Audience: The Telecom Industry and Monopoly Power in the New Gilded Age,” Crawford implicates AT&T, Verizon, Time Warner, Apple, Google and Microsoft, as well as Comcast. She states that these companies “tacitly cooperate by carving out their separate areas of expertise,” resulting in overpriced products and services for consumers.

Crawford argues for increased government involvement in the communications industry.

Timothy B. Lee, reporter for *Ars Technica* and adjunct scholar at the Cato Institute, believes that Crawford’s “broader critique of the modern media landscape misses the mark.” The broadband market may suffer from collusion, Lee contends, but the wireless, media and online sectors of the economy are more competitive and consumer-friendly than Crawford admits.

In her book, Crawford describes how Verizon, Cingular and AT&T control 60 percent of the wireless market while the other 40 percent is controlled by “Sprint PCS, T-Mobile, Nextel Communication, Alltel, and others.” She also blames competition from Verizon, Dish and DirecTV for cable companies’ loss of market share in video.

Lee counters that it is hard to believe that Google, Apple and Microsoft—companies that are spending billions of dollars to differentiate their competing operating systems, mobile devices, and search engine—are colluding and cooperating to divide the market. He argues that “regulators should regulate when doing so is necessary to constrain monopolies and promote competition.”

In 1968, the FCC cracked down on AT&T’s telecommunications monopoly, forcing them to allow third parties to attach devices to the network. Lee credits this industry shift for promoting the innovation and new market competition that led to developments in long distance service, answering machines, cordless phones, and online services.