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Book Review: *Captive Audience: The Telecom Industry and Monopoly Power in the New Gilded Age* by Susan Crawford


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¶22 After a recent move, I was in the enviable position of deciding on a television and Internet package. I had a choice of two companies, both with high-speed Internet, telephone service, and more television stations than I could watch or afford. Unfortunately, this choice among providers is available to only a minority of Americans, and Susan Crawford’s *Captive Audience: The Telecom Industry and Monopoly Power in the New Gilded Age* explains why that is.

¶23 Crawford, a professor at Cardozo School of Law and author of numerous articles on the telecommunications industry, traces the concentration of monopoly power in telecommunications, using Comcast as the story’s main character. The book’s focus is the 2010 merger of Comcast and NBC, which tied several strands of the industry together.

¶24 Crawford begins her book with an early American network so monopolized by corporate interests that the government had to intervene: the railroads. She quickly moves from rail networks to communications networks, describing the development of cable in general and of Comcast in particular.

¶25 During the development of the communications industry, different types of content traveled via segregated channels. The telephone wires were for calls, antennas picked up broadcast TV, and coaxial cable was for cable channels. Today all of this content can be broken down into zeros and ones, and any content can go over any conduit. Generally speaking, it turned out that of all the transmission streams into the home, coaxial cable could carry the most data, putting companies like Comcast in a favorable position.

¶26 Comcast started as a small player that opportunistically scooped up cable monopolies in individual cities across the country. Several chapters of the book detail how its strength lay not in the service it provided, but in the way it navigated the regulatory environment to maximum advantage. As Comcast grew, Crawford

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argues, it was able to use its cable reach to make favorable deals for content, and it used exclusive content, like its network of regional sports programming, to lower demand for other companies’ data services. The merger with NBC Universal only increased Comcast’s power, even as it made small concessions to regulators to ensure the deal went through.

¶27 Crawford’s book doubles as a manual on how the administrative apparatus of government operates. The give-and-take between the regulators and the regulated exemplifies how power can shift in Washington. Treating government agencies as actors with their own motivations, sometimes only nominally in the public interest, may sound cynical. But Crawford’s portrayal of Comcast’s executive team’s extensive lobbying effort, combined with her own economic analysis of the industry, justifies skepticism that the public interest is truly being served.

¶28 The focus on Comcast does make the book’s sections on wireless communication seem weaker by comparison. In part, this is because there has been no era-defining moment like the Comcast-NBC merger. In fact, the Department of Justice prevented a merger between AT&T and T-Mobile, the second- and fourth-largest cell phone carriers in the country, respectively, soon after the Comcast deal. Also, as Crawford points out, wireless Internet from cellular companies does not reach the one gigabit of data per second speed that she sets as a goal for the country. That means that wireless carriers are not providing as high-quality a service as they could, and she explains the economics behind their choices. Finally, there is a little more competition in the wireless industry, in that metropolitan areas usually provide at least some choice in carriers. It should be noted that Verizon installed fiber-optic cable in some areas of the country, but it has stopped that project. Now Comcast helps sell Verizon’s wireless service. Readers interested in more information on the wireless industry may prefer Tim Wu’s excellent 2010 book The Master Switch: The Rise and Fall of Information Empires.

¶29 Captive Audience serves as a well-researched history of the regulation of the cable industry, and to a lesser extent the telephone industry. It is highly recommended for academic and public law libraries. It could also be useful in getting practicing attorneys new to telecommunications up to speed on major trends in the industry.