

"The data caps being pushed by the biggest cable companies are bad for consumers — and the FCC should be investigating these caps, not endorsing them. All the evidence shows that caps on wired broadband platforms like cable make no sense. They don't affect network congestion, even in the rare instances where congestion actually exists on these systems. Cable companies use them to penalize their subscribers and discourage them from using innovative services that compete with cable TV.

"Comcast's recent actions show both the harms of these caps and the lack of any legitimate reason for them. Comcast started out by exempting its own content from its caps, while applying them to competitors like Netflix and other online video providers. Then Comcast changed course and suspended caps temporarily in all but a few markets — but promised to start overcharging any users there who exceeded these arbitrary limits.

"Of course, broadband providers should be free to try different pricing strategies. But the FCC's apparent endorsement of these plans only makes sense in a world with real broadband competition. Unfortunately, the wireline broadband market is at best a duopoly and is trending toward a cable monopoly. That makes broadband providers' pricing schemes almost immune to market discipline and consumer response.

"The FCC has turned a blind eye to this competition problem. If it wants to see experimentation in pricing that actually benefits consumers, we need a competition policy that creates more experimenters."