

WASHINGTON — On Tuesday, news broke of a Justice Department investigation into anti-competitive conduct by cable operators. Press reports indicate that the DoJ is examining tactics cable operators deploy to discourage use of online video services like Netflix or YouTube that may compete with cable's traditional video business.

Free Press Policy Director **Matt Wood** made the following statement:

"This Justice Department investigation is great news for consumers and cable's competitors alike. For too long, cable operators have used their dominant positions in both the television and Internet service provider markets to kill off innovation, cut off customer choice and keep prices high.

"Cable operators can't justify data caps, no matter what shifting excuses they offer. Comcast's recent floundering proves that these caps have nothing to do with congestion. Comcast first tried to exempt its own Xbox-delivered video offerings from its monthly cap, letting customers watch as much Comcast content as they want without fear of overages. That's because cable companies only call it excessive use when customers have the nerve to watch someone else's online video service instead of theirs. Then Comcast went back to the drawing board, effectively suspending caps in most of its markets while laying the groundwork to charge overage fees in the future — and proving definitively that there is no congestion problem today that data caps address.

"We are glad the DoJ is taking a good look at cable operators' use of these arbitrary data caps. Caps can discriminate against competing online video services, and even without discriminatory treatment they generally discourage customers' use of services delivered over the Internet. We also welcome news that Justice is looking into the one-sided contracts cable companies use to lock up content, and that it is examining apparent violations of conditions attached to the Comcast/NBCUniversal merger."