

An Old Plan for New Media

Welcome to the Comcast Age.

No, that's not a new corporate slogan, but the future facing Internet users everywhere.

Cable giants like Comcast and Time Warner have come to dominate information access in the United States. And they're using this new power to squeeze out competitors and remake new media in their old image.

For anyone online that means a future of fewer choices among broadband providers and less control over the digital diet that's fed across their networks.

According to the [Leichtman Research Group](#), the top cable providers continue to gain market share for broadband services as more [users abandon](#) the phone companies' slower DSL offerings and [Verizon shutter plans](#) to deploy its FIOS fiber-to-the-home service in new areas.

Soon most Americans will have only one choice for the

type of fast data services that would allow them to watch high-definition video without getting the jitters, or enduring the maddening spin of the buffering icon.

"As the big squeeze continues, the genuine economic and cultural problems created by this monopoly may become more obvious to all Americans," writes Professor Susan Crawford, who compares cable's increasing control to the worst days of the railroad and oil trusts of the early 20th century.

But unlike the railroads and oil, cable has become an arbiter of speech for online Americans, which is why cable monopolies present a bigger threat than their predecessors.

The unchallenged rise of cable is behind the Justice Department's decision to investigate the conduct of these anti-competitive media companies. And it's why the House Communications Subcommittee is convening a "future of video" hearing on Wednesday.

The Gilded Age of Television

The cable companies seem determined to return media to their "gilded age," when a handful of gatekeepers picked what people watched, when they watched it and how much they paid for the privilege.

It wasn't meant to be this way. The original architects of the Internet designed a network where power resided not with a centralized authority but at the end points, where users choose whom they connect with and what they share and watch without interference.

This basic networking principle laid the foundation for a people-powered Internet. As more people upgrade to fast, online connections, they're opting for online video services like Netflix, YouTube and Amazon, companies that allow viewers to bypass Big Cable — with its costly bundles of channels — and go straight to the videos they want to see.

According to a recent [comScore survey](#), the number of people watching long-form videos via the Internet grew by 47 percent from March 2011 to March 2012. [New research by Leichtman](#) finds that 38 percent of U.S. households have

at least one television set connected to the Internet — up from 30 percent last year, and 24 percent two years ago.

The new trends in online viewing are causing fits among cable executives, who aren't about to abandon legacy cable rates and premium packages to indiscriminately move videos over their Internet pipe.

They've instituted "data caps" to stifle the budding population of people who've tossed cable remotes in favor of a browser-based television experience. Caps make it expensive for anyone wishing to tear down the artificial divide that separates a television screen from an Internet monitor.

These companies have also rolled out plans to disable the upstarts that are building these alternatives to cable. In March, Comcast announced that some videos viewed on its own Xfinity service wouldn't count against its customers' Internet data caps. If you're accustomed to using popular movie and television streaming services like Netflix, however, you're out of luck.

Back to the Future

Such usage-based pricing has been brutal in its impact. "Comcast lacks any engineering or legitimate economic justification for the caps," argues Free Press Research Director Derek Turner. Turner sees data caps, coupled with cable's discriminatory treatment of competitors' video offerings, as a grave threat to video choice on the Internet.

But what's happening with cable's clamp-down on online video goes well beyond returning our television experience to a time before the public Internet.

Vertically integrated behemoths like Comcast/NBCUniversal are a new model of media consolidation. These companies not only control Internet access but also own an empire of digital content that is transmitted via these networks.

It's a dangerous combination with built-in incentives to take away user choice and dismantle the open and democratic architecture that's made the Internet such a powerful force for users.

As the Justice Department and Congress weigh the future of new media, they'd be wise to abandon the gatekeepers of old and instead place choice in the hands of the many.