

It's true, thanks to localized monopolies; Comcast rarely directly competes with Time Warner Cable. And yes, it would do little to alter the competitive landscape. Because, as already stated, consumers have almost zero options when it comes to quality broadband providers. However, a merger would hugely impact Tier 1 providers like Level 3 and Cogent.

Comcast is in a very good position to use its monopolistic power to demand more money from Tier 1 providers. I believe it would be best to quote Cogent's CEO Dave Schaeffer to illustrate how a Comcast, TWC merger would affect prices.

"Comcast does not operate a global network. In fact, it should be buying connectivity to the global Internet but has used its market scale and scope to extract an unusual concession. It wanted free connectivity, peering to the Internet, even though it didn't operate a global network. It didn't carry its fair load. Because it represented so many customers, backbone operators like Cogent and others agreed to peer with them. That wasn't good enough for Comcast. As Comcast's market power continued to increase and consumers had less choice, they actually started demanding payments for connectivity. A larger Comcast will be able to demand even greater payments." (May 2014, House Judiciary Committee hearing. Courtesy Ars Technica)

A Comcast, TWC merger would give Comcast the necessary leverage to demand even more money from Tier 1 companies like Cogent and Level 3. In fact, according to Level 3, Comcast actually demanded that Level 3 pay for Comcast's network upgrade. In a truly competitive market, Comcast would upgrade their network to avoid being last in the speed race. But, due to localized monopolies, there is no speed race.

The merger would allow Comcast to force their will on both consumers and Tier 1 companies. The kicker being, that while Comcast makes even greater profits, consumers will be stuck with the same paltry Internet service at the same inflated price. We also have to deal with the trickledown effect of higher fees. If Comcast charges Cogent more, then Cogent will charge their customers more (e.g. Netflix) which will cause Netflix to raise their prices to cover the cost. Except it wouldn't just be Netflix, it would be every company that gets squeezed by the Comcast, TWC merger.

- Cori Graham