

COMCAST tries to punish Democrats by cutting off their NETFLIX

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COMCAST tries to punish Democrats by cutting off their NETFLIX

- The largest users of **NETFLIX** are Democrats
- Netflix bosses are Democrats and huge lobbyist financiers
- Democrats control the FCC
- The FCC just told Comcast it can't run an Internet monopoly any more
- ...So **COMCAST** decided to throttle the SH*T out of **NETFLIX** users

Comcast Draws Customer Ire by Putting Netflix Addicts on a Meter

Cable Giant Imposing Extra Fees For Excessive Internet Data Usage

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[Comcast Corp.](#), customers used to be able to binge on all the Netflix and YouTube videos they wanted without repercussions. Now many are being put on a diet.

In a growing number of cities, the nation's largest cable company has begun imposing extra fees on Internet customers who use what it considers excessive amounts of data. The move could bring in new revenue to offset losses from cord-cutters dropping pay-TV service to stream videos online.

The strategy poses risks. In 2008, Time Warner Cable Inc. tried to limit customers' Internet use then dropped the plan the next year after a public backlash. Comcast has also faced questions from regulators about why its own streaming service doesn't count toward subscriber data limits, as well as complaints from customers and online video providers.

"It leaves a bad taste in your mouth," said Jonathan Strong, 33, a finance manager in Charleston, South Carolina. His family -- including three children who watch Netflix every night -- goes over the data limit every month, resulting in as much as \$20 in extra charges, he said. "It feels like we're getting punished for our normal use."

In almost all of Comcast's test markets, which include Atlanta, Nashville and Miami, customers who exceed 300 gigabytes a month -- the equivalent of streaming high-definition video five hours a day, by one estimate -- pay \$10 more for additional increments of 50 gigabytes.

In some cities, Comcast subscribers can pay \$30 to \$35 more for unlimited data. Those who stay under 5 gigabytes a month -- about 3 hours of streaming high-definition video, according to the [U.S. Government](#) Accountability Office -- get \$5 off their bill. Customers get a three-month grace period before being charged fees.

Small fraction

Comcast says only a small fraction of customers -- about 8% -- exceed the limit, in some cases because their computers are running malicious software without their knowledge. The company says usage-based billing, which is common in the wireless industry, is about fairness. Customers who only use the Internet to check e-mail shouldn't pay the same as subscribers with bandwidth-heavy web habits like online video games, file-sharing or binge-watching web videos, the company says.

Chief Executive Officer Brian Roberts likens it to buying more gasoline after driving long distances or paying higher electricity bills for running the air conditioner.

'Balanced Relationship'

"We're just trialing ways to have a balanced relationship," Mr. Roberts said at the Business Insider Ignition conference last month. "I don't think it's illogical or something people should be paranoid about."

Customers of Philadelphia-based Comcast aren't alone. About one-fourth of U.S. Internet subscribers have data plans that charge extra for heavy usage, according to Craig Moffett, an analyst at MoffettNathanson. AT&T Inc.'s subscribers have different usage limits based on their Internet speed. [Cox Communications](#) Inc., the fourth-largest cable operator, is testing a strategy similar to both Comcast and AT&T's on customers in the Cleveland area who go over their monthly data allotment. Time Warner Cable offers discounts to light Internet users, according to Mr. Moffett.

Hoping to appease consumer advocates, Charter Communications Inc. has pledged not to place any limits on customers' broadband data for three years if regulators approve its merger with Time Warner Cable and Bright House Networks LLC.

'Insurance Policy'

For pay-TV companies, usage-based pricing is "an insurance policy against cord-cutting," Mr. Moffett wrote in an October report. It ensures they still get paid for delivering video in the future even if more customers drop pay-TV service for Netflix Inc., [Hulu](#) or Amazon.com Inc., he said.

"What's at stake is nothing less than the basic business model of the cable operators," Mr. Moffett said in an interview.

The average U.S. household watches about five hours of TV a day, according to Nielsen. That same amount streamed over the Internet would probably exceed Comcast's limit, according to Roger Lynch, chief executive officer of [Dish Network Corp.](#)'s Sling TV, which offers an online "skinny bundle" of more than 20 channels for \$20 a month. Comcast says it would take more than seven hours of video streaming a day to exceed its limit.

"It's something we're quite concerned about," Mr. Lynch said in an interview. Comcast's 300 gigabyte limit is "very restrictive" and "clearly designed to discourage customers from using over-the-top services," he said, using the term for online video.

Last month, Netflix said its engineers are adapting movies and TV shows available on its service so customers use less bandwidth. Anne Marie Squeo, a spokeswoman for Netflix, declined to comment on Comcast's strategy.

The U.S. Federal Communications Commission, which regulates pay-TV providers, hasn't taken a position on usage-based pricing. Last year, the agency said such pricing may benefit consumers by offering them more options, calling it "an unresolved debate" that it will address on a case-by-case basis.

The FCC said in a December letter it wants "to ensure that we have all the facts" about Comcast's new Stream TV service, which lets customers watch some programming on laptops, tablets and phones and doesn't count toward their data allotments.

Mr. Lynch said that omission may violate an agreement Comcast made to not favor its own services over others and treat all Web traffic equally. Comcast spokeswoman Sena Fitzmaurice said Stream TV runs over the same network as cable service, which isn't subject to the same rules as Internet traffic.

"Users hate wireline data caps because they create artificial scarcity that increases the cost of getting online," said Noah Tharan, a spokesman for the Internet Association, a Washington trade group that represents companies including Netflix and [Google](#) Inc.'s YouTube. "To make matters worse, limited competition in the high-speed broadband market means users often have nowhere else to turn for a better deal."

-- Bloomberg News