

The Comcast Takeover: What You Need to Know

What's happening?

- Comcast wants to take over its chief rival, Time Warner Cable. This would make Comcast one of the most powerful media companies ever, with unmatched power to raise prices, squash competition and control the future of the Internet.
- If this merger goes through, Comcast will have unprecedented gatekeeper powers, allowing it to dictate what content you can access and how you access it online.
- Comcast only pretends to care about customers, competition, the free market and affordability:
 - It claims to support Net Neutrality — even though it's spent tens of millions of dollars to expand its lobbying power and defeat real Net Neutrality protections at the FCC.
 - The company's Internet Essentials program is supposed to provide high-speed Internet access to low-income communities, but restrictive conditions have limited the number of people who can sign up to participate.
 - The company continually ranks at the bottom of customer-satisfaction surveys for Internet and television services.
 - Comcast customers have shared countless horror stories online; in one case Comcast got a customer fired for daring to make a complaint.
- Comcast wants to consolidate its stranglehold over our media landscape and control how people connect and communicate. We can't let one giant company have that much power — let alone one known for its terrible customer service and incessant price hikes.

What's the problem?

- At stake is the future of the Internet. A larger Comcast would be able to use its market power to dictate the terms of broadband openness, cost and access at a time when the U.S. lags well behind other developed nations on each of these measures.
- This deal would create an Internet and television colossus like no other. Comcast's service area would cover almost *two-thirds* of U.S. homes.
- The combined company would control half of the high-speed broadband market and 30 percent of the pay-TV market. It would be the sole provider of next-generation broadband service to nearly four out of every 10 U.S. homes. This is too much power for *any* company to have — let alone one named the "worst company in America" multiple times.
- The merger would lead to less consumer choice, less diversity and much higher bills.
- Comcast already wields a great deal of political power and spent nearly \$17 million on lobbying in 2014 alone. The merger would give it even more political influence.
- Comcast owns NBCUniversal, itself a mammoth media empire. If the merger with Time Warner Cable goes through, Comcast would control way too much of what we see and how we see it online and on TV.

What does this add up to?

- This deal would create a media behemoth like no other. Comcast is the nation's No. 1 Internet service and cable provider. Time Warner Cable is the No. 2 cable provider. Put them together and you've got one subpar giant.
- This deal would make Comcast the dominant pay-TV provider in markets encompassing two-thirds of the country.

- The combined company would control 30 percent of the pay-TV market, more than half of the next-generation broadband market and more than half of the “double-play” (TV/Internet) market.
- You’re not off the hook even if Comcast doesn’t serve your community; the company would be so huge that it would set the agenda for the entire industry. Its vision for the future of the Internet and cable could become the new normal.

Who are the deciders?

- The Federal Communications Commission and the Justice Department have the power to block this deal.
- Members of Congress can pressure both agencies before they make their final decisions.

What about Net Neutrality?

- After 10 years of organizing, millions of people on Team Internet won a [major victory](#) for Net Neutrality at the FCC in February 2015. Now we need to turn our energy toward stopping this massive merger.
- The Net Neutrality rules establish a strong baseline to protect Internet users, but even good rules against bad behavior are hard to enforce when one entity gains so much market power and political sway. If this merger goes through, Comcast’s ability to skirt the law goes up — as does the number of people harmed by its abuse of the rules.

What can we do?

- Comcast hired nearly 200 lobbyists to push its agenda: killing the open Internet and monopolizing communications across the U.S. And its PR machine is in overdrive to polish its image and drown out the complaints of its customers.
- You can fight Comcast’s spin by taking these quick and easy action steps:
 - Read and learn more on our website at freepress.net.
 - Share our [resources](#), actions and educational materials with everyone you know.
 - Take action. [Set up a meeting with your elected officials and tell them to speak out against the merger.](#)
 - [Donate to the Free Press Action Fund](#). We don’t take money from business, government or political parties and rely on the generosity of people like you to fuel our work and go up against telecom giants like Comcast.

The Comcast Takeover: Let's Get Specific

How would this deal reshape the future of the Internet?

- This deal would make Comcast the only available Internet service provider for nearly 40 percent of the country, and the company would have more than half of the high-speed broadband subscribers.
- If this deal goes through, it would give Comcast every incentive and ability to make the open Internet market function like the closed, bloated and expensive cable-TV market. With this much control, the future of the Internet will look like whatever Comcast wants it to look like.

How would this takeover raise prices?

- The use of data caps would rise at a time when customers are using more data than ever. The era of broadband abundance would be replaced by the reality of artificial scarcity. Bill shock, here we come.
- Comcast is now in the process of rolling out a new billing system with monthly data caps and punitive overage fees. It's doing this even though there are no real capacity issues on its network. Time Warner Cable has no such caps. So not only would Time Warner Cable's 12 million customers face these new limitations and fees, but a larger Comcast would be able to shift the broader market toward caps.
- Internet-access prices are already on the rise and Comcast has said they will continue to rise, perhaps even faster, if this deal goes through.
- Since Comcast currently faces little to no competition in the broadband market, it imposes artificially high broadband prices to subsidize its video business. The merger would only exacerbate this problem.
- A larger Comcast would be able to charge more for equipment rentals and dictate the pace of innovation.

How would this takeover squash competition?

- The merger would allow Comcast to control marquee television and movie content, as well as the primary avenues for distributing that content: a major television broadcast network, a major cable system operator and a major broadband Internet access provider.
- Because the merged entity would control both content and distribution, it would have both the incentive and the market power to limit the access of competing content on the distribution platforms it controls.
- It would also have the power to enforce anti-competitive bundling and pricing of its own programming — or in some cases, to deny its competitors access to its programming altogether.
- In other words, Comcast makes more money from elevating its own broadcast, cable-news and sports content on its cable systems. It has a greater incentive to keep independent programmers off of its cable lineup and to make space for its own properties, because it's more lucrative to showcase your own programming than to pay someone else for content. And even today, any new cable channel essentially *has* to get picked up by Comcast if it wants any chance of carriage, because Comcast is already the gateway to so many homes.

How would this impact online video?

- This deal would diminish any hope of "virtual cable competition" where companies compete via over-the-top and streaming options.
- The merger would hurt innovative online video competitors like Netflix, Vimeo and Sling TV. Comcast has a history of refusing to provide enough capacity for online video providers attempting to deliver their content to Comcast customers, resolving such conflicts only when providers pay Comcast new

fees. In 2014, Comcast interfered with traffic to Netflix, which pushed Netflix to ink a deal with Comcast to ensure the swift delivery of its content. These kinds of fees inevitably trickle down to consumers. Meanwhile, a bigger Comcast could mean that some online video companies go out of business while others never get off the ground.

- Because it reclassified broadband as a Title II telecommunications service, the FCC now has the clear authority to stop Comcast from engaging in such harmful practices. However, the new rules will be litigated, and even if they're upheld a larger Comcast could have the political clout needed to evade the law — just as the old AT&T did before the government broke it up.