

AT&T caps monthly traffic for DSL subscribers

March 14 2011, By PETER SVENSSON , AP Technology Writer

(AP) -- AT&T is placing a limit on the amount of data its home Internet subscribers can transfer in a month.

AT&T Inc. portrayed Monday's announcement as an attempt to curb "data hogs," but it could help the company preserve a revenue stream in the long run as people shift to Internet-based TV services.

AT&T said it will start charging extra after subscribers go past 150 gigabytes in a month, an amount it said only 2 percent of subscribers reach.

In practice, only frequent high-definition movie downloads, file sharing or perhaps constant videoconferencing can propel subscribers close to the limit. AT&T said the average monthly consumption for DSL customers is 18 gigabytes.

For U-Verse, a faster version of [DSL](#) available in some areas, the monthly cap will be 250 gigabytes.

Beyond the limits, AT&T will charge \$10 per 50 gigabytes. It said it will warn subscribers repeatedly as they approach their monthly limits.

AT&T said the caps will start applying on May 2, and it plans to notify subscribers this week.

Most U.S. Internet service providers already place limits on data traffic,

but most of them don't charge extra when the limits are exceeded. Instead, they warn subscribers and kick them off after repeated warnings.

Time Warner Cable Inc. tried to institute much lower usage caps in 2008, charging \$1 per gigabyte of overage. The idea turned out to be very unpopular with [subscribers](#), and the company had to back away from the idea. AT&T ran a similar experiment in a few areas, but with higher caps as well.

Analysts view usage caps and overage fees as a way for cable and phone companies that sell TV services to defend the value of their network. If households move their TV watching from such services to the Internet, the Internet service providers will still get paid through overage fees, analysts reason.

AT&T's move provides "air cover" that makes it easier for the rest of the industry to follow, Sanford Bernstein analyst Craig Moffett said.

AT&T's caps were first reported by [Broadbandreports.com](#).

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