

To sway regulators, Charter pledges to play nice on Internet

June 25 2015, by Tali Arbel



This April 1, 2015 photo shows signage at an entrance to Charter Communications' headquarters in Town and Country, Mo. Charter is trying to convince the government that consumers will benefit if it is allowed to create a cable giant through its proposed \$67.1 billion acquisition of Time Warner Cable and Bright House. (AP Photo/Jeff Roberson)

Charter is trying to convince the government that consumers will benefit if it is allowed to create a cable giant through its proposed \$67.1 billion

acquisition of Time Warner Cable and Bright House.

It is seeking [government approval](#) after regulators' concerns led Comcast to scrap its \$45 billion bid for Time Warner Cable in April.

Charter said Tuesday, in a filing with the Federal Communications Commission, that it will roll out faster Internet with no data caps for Time Warner Cable and Bright House customers, for less money than a comparable service. It is also pledging to continue its policy of not blocking or slowing traffic, or establishing paid fast lanes for some content.

The government's new "net neutrality" rules prohibit those practices, though Internet providers have sued to throw out the rules.

"It seems like they're taking a more customer-friendly tone here" than Comcast did, said Matt Wood, policy director at public-interest group Free Press.

Federal Communications Commission Chairman Tom Wheeler has said that the Stamford, Connecticut company needs to show how a more powerful Charter would benefit consumers.

With Time Warner Cable, Comcast would have served more than half of the country's high-speed Internet customers. Regulators feared that would give it the power to undermine online video rivals.

Charter has pointed out that its share of that high-speed Internet market would be smaller than that, at 30 percent. It would have 19.4 million Internet customers, fewer than the industry leader, Comcast, has now, and 17.3 million [cable](#) customers, less than both Comcast and the combination of AT&T and DirecTV, if regulators approve that pending deal.

In another bid to assuage the FCC, Charter Communications Inc. also says it will submit disputes over commercial Internet traffic deals, called "interconnection," to the agency. The net neutrality rules give the FCC the power to hear disputes over these arrangements, which the industry doesn't like. Fights between companies and Internet providers over these deals can disrupt service for Internet users, like slowing streaming speeds for Netflix.

Charter proposed that its [net neutrality](#) commitments last for three years and that they stay in effect even if a court overturned the government's new rules.

But Wood questioned why some of these benefits for consumers had to be tied to a merger, like why Time Warner Cable couldn't improve their customer service and Internet speeds without being bought, or why Charter couldn't submit interconnection disputes to the FCC without buying Time Warner Cable and Bright House.

Charter said in late May that it would buy Time Warner Cable for \$56.7 billion, including stock options, and Bright House for \$10.4 billion.

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