

Free Press Blasts Wireless Companies' Plan to Favor Some Traffic

WASHINGTON -- On Wednesday, AT&T CEO Randall Stephenson told a group of investors that he expects content providers and app developers to pay him to keep their traffic from counting against mobile data caps. This follows earlier news that Verizon Wireless was in talks with ESPN to get the sports network paying the carrier so that ESPN content would not count against monthly limits.

Free Press Policy Director Matt Wood made the following statement:

"If AT&T and Verizon get their way, the days of the open Internet are numbered. Allowing a few deep-pocketed partners to pay for preferred treatment will stifle innovation, hinder competition, raise prices over time and give mobile phone companies the power to pick and choose the content you can access.

"AT&T has claimed for years that network congestion is the reason it needs data caps and steep overage fees. But if ESPN and other rich companies can pay to get around these artificial limits, it suggests what we've long suspected: AT&T's jacked-up fees and penalties are just there to gouge consumers. AT&T's whole business plan is to profit from the false scarcity it's created.

"This new scheme creates huge incentives for the wireless carriers to impose lower caps and higher fees. Cable subscribers can also expect their bills to go up as companies like ESPN subsidize this new venture through higher charges to pay-TV customers. This scheme also harms the next Netflix, Vimeo or any other start-up that might challenge the big media companies but can't afford to pay for other people's Internet usage. It locks in today's dominant players. And in the long run, all consumers will pay more.

"We need policies that promote abundance, not ones that reward AT&T's shell game. The next step is a world where content providers who pay the wireless companies have their content sped up, while others are trapped in the slow lane. These are the problems we warned the FCC about when they made the shortsighted decision to weaken wireless Net Neutrality rules. We hope incoming FCC Chairman Tom Wheeler will take a close look at this situation and ensure that the mobile Internet remains an open platform."