Twitter Thread by Cory Doctorow #BLM

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One of the arguments for permitting monopolies is that they are "efficient." That's the logic under which Universal was allowed to acquire Comcast and NBC - the "vertical integration" would make all three companies better and we'd all reap the benefit.

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It turns out that there are DISeconomies of scale, what Brandeis called "the curse of bigness" and really, the Universal-NBC-Comcast octopus is a poster child for that curse.

https://t.co/1pLFcUjhV7

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Comcast has just informed its subscribers that they are at risk of losing access to "Bravo, CNBC, E!, Golf Channel, MSNBC, Olympic Channel, Oxygen, Syfy, Telemundo, Universal Kids, NBC Universo, USA Network and NBC Sports Network."

https://t.co/UU9un9Lm1t

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That is, Comcast has warned its customers that Comcast might not license its channels to Comcast anymore.

This is a "carriage dispute" - a dispute over how much the cable operator will pay the broadcaster. It's a common dispute to have.

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But in this case, Comcast's dispute is over the accounting fiction of how much one division of a vertical monopolist will nominally charge another to access its products.

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Comcast's notice was triggered by a statutory duty to inform subscribers when a deal is set to expire with no new deal in place, and obviously Comcast can strike that deal with itself at the stroke of a pen.

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But it's not clear why it hasn't done so already, sparing the company the baffling humiliation of sending out these notices. Perhaps it's because the contours of the deal may affect its licensing rates to rivals like ATT-Time Warner.

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In other words, permitting Universal to buy both a cable operator and a zillion cable channels has put it in the position where to benefit one division, it may have to do serious harm to another.

Tell me again how monopolies are efficient?

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