

Comcast and Netflix Reach a Streaming Agreement

[Comcast](#), the country's largest cable and broadband provider, has reached an "interconnection agreement" with [Netflix](#) to ensure that its videos would be streamed directly — and thus faster and more reliably — to Comcast's customers, both companies announced Sunday.

The terms of the multiyear agreement, including whether Netflix was paying for its direct connection, were not disclosed, other than to say that the company "receives no preferential network treatment."

The announcement confirmed [reports that had trickled out](#) late last week, already detecting a more direct Internet path of Netflix videos to Comcast customers. The agreement is expected to be fully put in effect in a matter of weeks.

That the technical details of how streaming videos arrive on a customer's screen is the subject of corporate announcements and news media coverage speaks to the outsize importance of Netflix and Comcast in how movies and television are watched.

Comcast, already the leader in broadband, announced this month that it planned to pay \$45 billion for [Time Warner Cable](#), the second-largest cable company, with more than 11 million broadband subscribers. The combined company would control roughly 38 percent of the high-speed Internet market, with 32 million broadband customers, double the next-largest provider, AT&T.

Netflix, with a market capitalization of just under \$26 billion and more than 33 million subscribers in the United States, is responsible for nearly a third of North American web traffic from broadband.

Before the agreement, Netflix used intermediaries to deliver its content to Comcast, with uneven results. In recent months, Netflix reported that delivery speed of its content to Comcast subscribers had declined by more than 25 percent. The new arrangement will

deliver an “even better user experience to consumers, while also allowing for future growth in Netflix traffic,” the companies said in their news release.

The companies said the agreement had been many months in the making, begun well before the Time Warner Cable announcement. The spur to action was a meeting between Brian L. Roberts, the chief executive of Comcast, and Reed Hastings, the chief executive of Netflix, as well as the engineering teams of both companies, at the [International Consumer Electronics Show](#) in Las Vegas in January, according to two people close to the deal who spoke on condition of anonymity because they were not authorized to speak publicly.

A critic of the planned Comcast-Time Warner Cable merger, Craig Aaron, the president of the consumer advocacy group Free Press, saw the Netflix deal as further reason to prevent Comcast from growing. “As a consumer this is a really opaque process — being unable to really know who’s paying what to whom,” he said. “All you know as a consumer is that you are really paying in the end.”