

Net Neutrality

Problem: Network neutrality, or net neutrality, is the principle that the Internet should remain open so consumers have unrestricted access to lawful web sites and online businesses and entrepreneurs can compete freely on a level playing field. **Some broadband providers, realizing the potential for more profits, want to give preferential treatment to certain sites, such as their own content or sites willing to pay extra fees.** Without network neutrality, broadband providers could block or slow down traffic to any web sites or services they choose. Services such as streaming video or making free or cheap phone calls over the Internet could be blocked. So could the sharing of lawful media content or access to political content.

Action Requested: The Federal Communications Commission (FCC) is currently drafting rules of the road to preserve an open Internet. These rules are necessary to ensure the agency's "Internet principles" are backed by the full force of law. The FCC also plans to include two additional rules that would require transparency and allow for reasonable network management. The FCC should adopt strong rules that explicitly preserve an open Internet and forbid discrimination based on the content, the sender, or the receiver of information being sent online.

Why It Matters:

The Internet has been governed by principles of openness and consumer choice since its inception and this has allowed the Internet to flourish as a marketplace, public forum, and unprecedented information resource. But, now the big telecom giants have the technological tools and the financial incentives to make it a pay-for-play. **Net neutrality is essential for:**

- **Innovation and Economic Growth.** Web sites such as eBay and Amazon were able to become global retailers thanks to the relatively low startup costs involved in creating an online business. Entrepreneurs can launch their ideas on the Internet where the costs of hosting an online store are far cheaper than leasing a brick and mortar location. **Without net neutrality, an ISP would be able to discriminate against certain services, such as those that compete with a service offered by the broadband provider itself, like cable TV, and could artificially control which services succeed and fail online.**
- **Free Speech.** The Internet has reinvented the way ideas and policies are debated. Every American with Internet access has a voice in the political process through blogging, podcasts, or uploading videos via sites like YouTube. There have been several recent instances of ISPs blocking political speech and other lawful content from being transmitted and shared by consumers. **Unless nondiscrimination rules are established, broadband providers will be free to block legal content that they deem objectionable or simply don't want to compete with.**
- **Access to Information.** Websites such as Netflix and YouTube provide consumers with Internet access to video content they may not otherwise be able to see, such as news, documentaries, and political events. Without net neutrality, this content could be restricted by broadband providers that don't like competition and want to keep consumers subscribing to cable for all their video content.

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Reclassification and Broadband Reform

Problem: Federal Communications Commission Chairman Julius Genachowski has proposed a plan to clarify the agency's authority to regulate Internet service providers such as Comcast, Verizon and AT&T. The move by Genachowski became necessary in the wake of an appeals court decision in favor of Comcast in April. Comcast brought the suit in retaliation for an FCC decision against the company requiring that it stop blocking or slowing down data traffic traveling over its Internet network. Taken to its logical conclusion, the appeals court decision appears to undercut the FCC's authority to regulate Internet service providers. At the same time, the appeals court decision appears to significantly limit the ability of the FCC to execute many of the recommendations of the recent National Broadband Plan aimed at bringing high-speed Internet service to unserved and underserved areas, as well as to low and fixed income populations. To address this situation, the FCC is considering "reclassification" of Internet service as a telecom service, rather than an "information service", in order to make a distinction between the companies that offer to connect consumers to the Internet and companies that offer websites and information on the Internet. Internet service is currently considered an information service, meaning it is subject to virtually no regulation by the FCC. Not surprisingly, big broadband service companies such as Comcast, AT&T and Verizon are fighting hard to avoid reclassification with an all-out lobbying blitz focusing on Congress and the FCC.

Action Requested: It is important for consumers to push hard for the FCC to reclassify Internet service as a telecom service, because broadband is too important to the economic growth and well being of our country to eliminate the rules of the road that preserve a level playing field for innovation and entrepreneurship online. .

Why It Matters:

The FCC and possibly Congress need to address a number of situations that harm consumers including:

- **Lack of Competition.** The vast majority of Americans have little or no choice when it comes to high-speed Internet service. If they're lucky, they can get service from either a cable company or a phone company. If they're not as lucky, they can only get it from one of those providers or can't get any sort of reliable, reasonably priced high-speed Internet service at all. Despite these facts, the big Internet service providers such as Verizon, AT&T and Comcast argue they operate in a highly-competitive market. The industry is now spending tens of millions of dollars on a full-scale lobbying and public relations blitz in Washington and elsewhere to avoid reclassification, which could increase the chance consumers might enjoy the benefits of true and effective competition in the high-speed Internet market.
- **National Broadband Plan.** Without reclassification, it will be virtually impossible for the FCC to implement its well-reasoned and much needed national broadband plan. Internet service providers have shown time and again that they cannot be trusted to when it comes to engaging in anti-consumer and anti-competitive activities. The FCC must act to reclassify high-speed Internet service, which have become the vital backbone of American life including commerce, government, education and entertainment. Unfortunately, Americans are falling farther and farther behind the rest of the world in terms of affordable access to high-speed Internet service. That has to change for Americans to remain competitive in and increasingly global economy and society. And it's clear that won't happen without reclassification.

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