

Public Knowledge

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Legislating Net Neutrality -- Necessary?

Telephone and cable companies own 98% of the high-speed broadband networks the public uses to go online for reading news, shopping, listening to music, posting videos or any of the thousands of other uses developed for the Internet. But that isn't enough. Now they want to control what the public reads, sees or hears. On their Internet:

- The next YouTube or Facebook won't emerge unless entrepreneurs pay their new "Internet Entry Tax" the phone and cable companies want to charge to make sure services work as well as they should.
- The phone and cable companies make sure that content and services they own, like movies or telephone services, work better than independent content and services.
- They could require you to buy programming or other content you don't want simply to get online.

Who Owns the Internet? Not the Telephone and Cable Companies

Today's Internet, started by the government, has developed as a result of billions of dollars of investments, from the largest Internet company that spent millions on software and networking, to the one person with a blog who spent a few hundred dollars on a laptop. The Internet grew into a universal public resource because the telephone and cable companies simply transported the bits.

But as a result of decisions by the Federal Communications Commission and the U.S. Supreme Court, the successful balance between the telephone and cable companies, who provide the network access, and the content providers, has been upset. There are now no rules. Now these companies want to extend their dominance by creating premium lanes on the Internet for higher fees, and give preferential access to their own services and those who can afford extra fees. The rest of us will be left to use an inferior version of the Internet.

What Happens If This Trend Continues?

- Capital markets will have little reason to invest in new, Internet-based content and services if there is no longer a guarantee they can even get on the Internet.
- Service providers will pass the "Internet Entry Tax" through to consumers and small businesses, who already pay handsomely for their bandwidth
- The US will lose its lead in the Internet as innovation moves to more fertile, open markets overseas.

What Should Congress Do?

- Re-establish basic safeguards that require broadband providers to interconnect and to treat all Internet traffic in a nondiscriminatory manner. Allow innovation, but not unfair advantage for the phone and cable companies
- Prohibit tiering schemes that impose fees to "deliver" Internet content on top of the fees already paid to connect to the Internet.
- Require strong federal enforcement, including penalties for violations.