Kyle Seth Gray

Valerie Merit

ENG 2010

19 July 2014

What Does Net Neutrality Mean?

In January of 2014, a set of rules that the Federal Communications Commission had enforced for the Internet in the United States were struck down. These regulations were based upon the idea of an Open Internet, and “[required] broadband providers to treat all Internet traffic equally”, allowing no discrimination in how data was treated (Neagle). With the end of these specific rules, new rules have been proposed, and regulations have been thought of. The main idea when drafting and convincing Congress that such rules are needed in America is such: How does the supposed end of net neutrality hurt the citizens, businesses, and corporations in America? Since the ruling in January of 2014, and well before the same ruling, net neutrality and Internet usage have been debated, and the benefits as well as the negative effects of restrictions that limit how American citizens are allowed to use the Internet, have been thought over. But the reasoning behind such rules hasn’t reached a common conclusion mainly because of the complexity of the problem. It’s a *very* broad issue that affects various aspects of modern business. However, across different documented cases, many examples show how consumers, businesses, and Internet service providers are affected by net neutrality.

Net neutrality is the basis of a free market in the United States, especially in a world dependent on technology. The Internet has worked for years with little to no regulation, as strict regulations in such a broad market limit innovation (Gilroy 332). Free and fair competition – where anyone and everyone has the same opportunity to compete with other businesses, and are treated the same despite monetary position, value, and size of the company – is an agreed way that would help these markets innovate and expand, rather than becoming profitable monopolies that don’t change. Gilroy claims that “The need to formulate a national policy to clarify expectations and ensure the ‘openness’ of the Internet is important to protect the benefits and promote the further expansion of broadband…” (343), and without these clarifications, innovation in the broadband world wouldn’t advance as much as it could. Although Gilroy states that strict regulations would slow innovation, without rules to protect consumers, there can be unfair competition, monopolies, and situations where a customer has no choice in the matter.

Who net neutrality effects isn’t simple as there are many variables in the marketplace. Consumers, small and big business, and Internet service providers are all affected by the decisions of net neutrality. Consumers may have limited choices and controlled usage, businesses and startups may not be able to reach customers in the same way because of monetary positions, and ISPs may be taken advantage of if they can’t control their own business decisions. One major Internet service provider, Comcast, has played a big role in net neutrality, and the cases and rulings surrounding it. In early 2008, Comcast “…selectively blocked peer-to-peer connections in an attempt to manage its traffic” (Gilroy 334). As an Internet service provider, and as a business, Comcast was doing this to help balance the amount of data their network was using, and to lower costs that were being driven up by consumers usage of peer-to-peer connections. These types of connections come from users distributing large amounts of data from themselves directly to another user. By blocking these connections, congestion on Comcast’s network was lowered. Users however, found this to be unfair, especially those users who directly wanted to use these types of connections. However, is it unfair for a company to justify, as well as control how its consumers use its product? If they don’t want to use it the way Comcast wants them to, then subscribe to the product? Comcast fought back against the FCC for ruling against them, and two years later, ultimately won. It was ruled that “…the FCC did not have the authority to regulate an Internet service provider’s [in this case Comcast’s] network management practices and [Comcast] vacated the FCC’s order” (Gilroy 334) This falls under the argument that ISPs are still businesses, and “[they] should have the right to make independent decisions about the direction of their industry without interference” (Ly 6).

Consumers on the other hand, have fought for more freedom when it comes to usage of the Internet. Consumers believe that “…discriminatory traffic management practices as a way of dictating how they can make use of the Internet” (Ly 4), and they should be able to get information in the way they please. ISPs tend get a lot of complaints from their users, because of how they seem to not allow all use case scenarios. The FCC rulings all may seem very strange when it’s seen how much they regulate Comcast, Century Link, and AT&T, who are just businesses providing service to its customers. The last thing America wants is more government involvement in business, right? Why is the Internet different? The Internet is deemed more important than other services: “In today’s knowledge–based, global economy, the Internet plays a pivotal role not just as a platform, but as a catalyst for innovation, financial growth, and democracy” (Ly 1). It has become the new backbone to the United States, for entertainment, but also as a way of doing business. Due to the importance of it, consumers have urged it to be classified as a utility for the American people, so, like telephone calls, they can use Internet services in any way they please. Various petitions have been signed, especially in recent years, one having reached one million signatures ([Jeffries](http://www.theverge.com/users/adrianne)), where consumers urge the government to have *more* control over the ISPs, by telling them to treat all data equally for consumers.

One of the negative effects of net neutrality is small business. Because of more recent FCC rulings, companies that have the potential to use a lot more bandwidth, (that is, amount of data required), are less likely to be invested in by venture capitalists, simply because of how much more it may cost those companies to stay afloat (Neagle 1). With ISPs and content delivery services taking advantage of these laws, and absence of laws, Internet providers will charge “disadvantageous fees” (Ly 4) to companies such as Netflix and Level 3 (a content delivery service), simply because they can. With todays net neutrality laws, companies like YouTube, Vimeo, and Netflix would not have come about because of how much it would cost to deliver that amount of content to their consumers. This stifles competition, and is puts bigger companies at an advantage over smaller, capital funded start ups who are trying to get their feet off the ground (Talbot 1).

Internet providers in the US need to follow a clear set of rules, which need to be enforced by the government to prevent ISPs from having too much power in their markets. Although it may seem that this argument – having the government impose rules of how and what an ISP is allowed to do – goes against the basic rules of competition, in reality, and in this modern world, the Internet isn’t compared to a public service such as a car service. According to the FCC, these carriers are referred to as information service providers (Telecommunications Law 7), and because of the category they are in, the FCC has a set of rules specifically for their business models. They aren’t allowed to discriminate information, have certain price fixtures set by the FCC, and are subject to civilian opinion and suits if they are believed to be competing unfairly. (Telecommunications Law). This is not unlike the rules set by the FCC around power and water companies, many which have natural monopolies in their respective areas because of land limitations. They *could* make their prices unreasonable in these places, but because power and water are rights that have been found to be a necessity in today’s world, they have become regulated to try and keep this monopolies to a severe strict guidelines that still allow them to gain a profit while pleasing the consumers. This same type of regulation should be imposed on Internet service providers to keep competition fair, and to prevent monopolistic markets.

With these rules imposed, the American citizens, businesses, and Internet providers themselves will have a fair, and justified way of using, obtaining, and utilizing these services. The Internet is a vital tool in today’s connected world, and every user *and* business should be treated the same, and content providers should expect their content to reach their users in an undiscriminated fashion. To have every byte treated equally will allow for better competition, greater innovation, and will help provide benefits to all parties involved in the massive infrastructure of the Internet. By slowing down certain types of data, while prioritizing others, companies with more money, and data providers with greater profits are able to pay their way to the users. This creates unfair competition, and doesn’t allow the user to choose freely. Without net neutrality, the Internet isn’t a free and open market it has been known to be.

Works Cited

Gilroy, Angele A. "Access To Broadband Networks: The net neutrality Debate." Journal Of Current Issues In Media & Telecommunications 5.4 (2013): 331-351. Communication & Mass Media Complete. Web. 20 July 2014.

Jeffries, A. (2014, January 30). Net Neutrality petition gets a million signatures | The Verge. Retrieved from http://www.theverge.com/2014/1/30/5362166/net-neutrality-petition-gets-a-million-signatures-free-press

Ly, Alexander, Bertrum H MacDonald, & Sandra Toze. "Understanding the net neutrality debate: Listening to stakeholders." First Monday [Online], 17.5 (2012): n. pag. Web. 19 Jul. 2014

Nagesh, G., & Sharma, A. (2014, January 1). Appeals Court Strikes Down FCC's net neutrality Rules - WSJ. Retrieved from http://online.wsj.com/news/articles/SB10001424052702304049704579320500441593462

Neagle, Colin. "Net neutrality ruling scaring VCs away from investing in certain startups; One VC firm has said it will 'stay away from' companies that may require high-performance networks, which ISPs may soon make more expensive." Network World 2014: Academic OneFile. Web. 20 July 2014.

Talbot, D. (2014, May 5). Will an Internet Fast Lane Be an Innovation Dead End? | MIT Technology Review. Retrieved from <http://www.technologyreview.com/news/527006/talk-of-an-internet-fast-lane-is-already-hurting-some-startups/>