

# Open Access and Net Neutrality

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26 January 2010



# Overview

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- The current US policy framework for Net Neutrality
- The new FCC proposals
- AT&T's views on FCC proposals
- "Neutral" vs. "Smart" networks
- Public policy implications

## Four FCC Broadband Principles (2005)

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To encourage broadband deployment and preserve and promote the open and interconnected nature of the public Internet:

- Consumers are entitled to access the lawful Internet content of their choice
- Consumers are entitled to run applications and use services of their choice, subject to the needs of law enforcement
- Consumers are entitled to connect their choice of legal devices that do not harm the network
- Consumers are entitled to competition among network providers, application and service providers, and content providers

All subject to “reasonable network management”

# FCC's Proposed Six Rules (NPRM 22 Oct 2009)

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## A provider of broadband Internet access service may not:

- prevent any of its users from sending or receiving the lawful content of the user's choice over the Internet
- prevent any of its users from running the lawful applications or using the lawful services of the user's choice
- prevent any of its users from connecting to and using on its network the user's choice of lawful devices that do not harm the network
- deprive any of its users of the user's entitlement to competition among network providers, application providers, service providers, and content providers

## A provider of broadband Internet access service must:

- treat lawful content, applications, and services in a nondiscriminatory manner
- disclose such information concerning network management and other practices as is reasonably required for users and content, application, and service providers to enjoy the protections specified in this part

# Other Key Points of the FCC Proposals

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**Reasonable Network Management** is defined narrowly - practices to:

1. reduce or mitigate the effects of congestion on its network or to address quality-of service concerns;
  2. address traffic that is unwanted by users or harmful;
  3. prevent the transfer of unlawful content; or
  4. prevent the unlawful transfer of content; and
- other reasonable network management practices

**Non-discrimination:** Broadband providers may not charge content, application providers for enhanced or prioritized access

**Broadband Platforms Covered:** all, including mobile.

**Managed or Specialised Services:** should these be subject to NN rules?

# AT&T Views on the FCC Proposals

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- The Internet has never been healthier or more open
- New rules not needed: no market failure/abuse identified
- If the FCC concludes otherwise, the current proposals need to be modified in at least 6 areas:
  1. New definition of “broadband Internet access”
  2. Any “non-discrimination” rule needs to be balanced
  3. Mobile should be excluded from any rules
  4. Network management should be presumed reasonable
  5. Transparency should focus on enabling consumers to make informed choices
  6. Any Open Internet rules should apply to all service providers, including search and CDN providers
- The EU principles-based approach is a good model

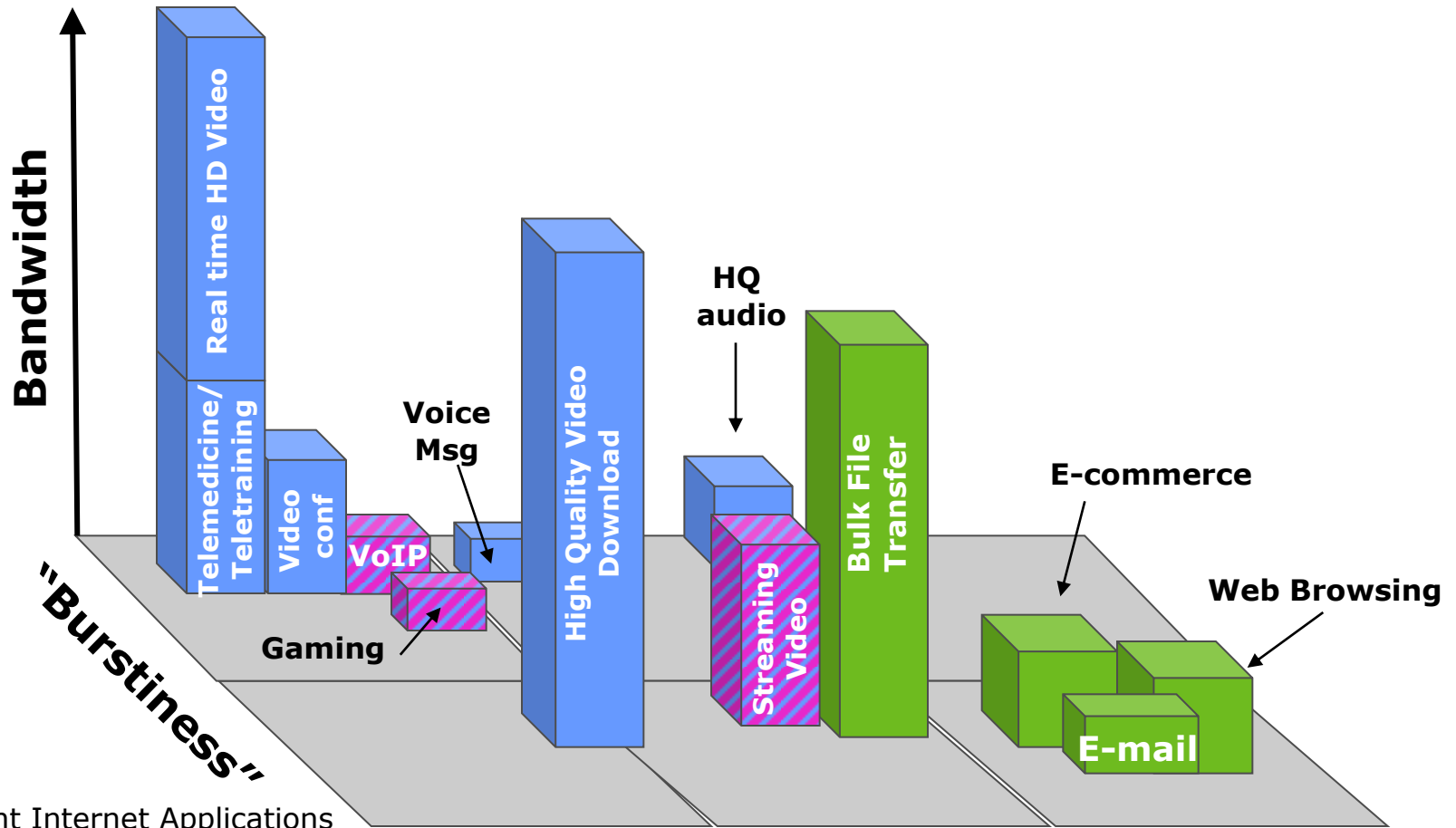
# The Traffic Management Challenge

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- AT&T's network currently carries more than 18 petabytes of traffic on an average business day
- By 2018, IP traffic on AT&T network projected to be 5,600% greater than it is today
- Traffic on the Internet in 2012 will be 75 times larger than it was in 2002
- Internet traffic will generate 28 exabytes per month in 2012, the equivalent of 7 billion DVDs
- By 2010, 20 typical households will generate as much traffic as the entire Internet moved in 1995
- Consumer video will be responsible for the majority of the traffic growth between 2007 and 2012
- In 2012, Internet video will use nearly 400 times the U.S. Internet backbone it did in 2000

Sources: Cisco Systems study "Approaching the Zettabyte Era" dated 16 June 2009; AT&T

# Different IP network needs



- Current Internet Applications
- Growing Internet Applications
- Managed Network Applications

Delay Tolerance/Bufferability

# Public Policy Implications

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Public policy needs to be balanced

Policy should recognise that the Internet is an ecosystem where all providers – edge and core – remain interdependent

- a complex combination of networks and edge providers that spans the globe
- marketplace incentives have driven beneficial operation and expansion of this ecosystem
- marketplace incentives will continue to do so in the future

The policy objective should be a sustainable robust ICT sector that

- fosters investment and innovation throughout the ecosystem, including in devices, applications, content, and infrastructure
- ensures new technologies will achieve the greatest economic and social benefits for all citizens
- at prices that are reasonable, affordable, and fair to consumers

**“A Consumer-based Standard for Protecting the Open Internet”**

Check out: <http://attpublicpolicy.com/>

# Where There Is Broad Agreement?

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About an open Internet

About transparency

About competition on a level playing field

About consumer choice over what content they access and what devices, applications, and service providers they use

About network and personal security

About investment

About an Internet that does more, reaches more people, and is more affordable