

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Restoring Internet Freedom	)	GN Docket No. 17-108

**COMMENTS OF LEVEL 3 COMMUNICATIONS**

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July 17, 2017

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## I. INTRODUCTION AND SUMMARY

As the Commission observes in the Notice of Proposed Rulemaking, “Americans cherish a free and open Internet.”<sup>1</sup> And more than a decade ago, a unanimous Commission affirmed that the Commission has a duty to protect this cherished resource.<sup>2</sup> While the Commission has repeatedly committed to protecting the Internet over the years since, it failed to articulate a legal foundation for that commitment that could withstand appellate review until the 2015 *Open Internet Remand Order*.<sup>3</sup> The Commission should not now back away from its commitment to protect the Internet by discarding its existing rules or their legal foundation without simultaneously establishing protections that are at least as effective and as firmly grounded in law—whether the Commission uses existing authority or awaits action by Congress to empower the Commission with new authority.

In these comments, Level 3 focuses on the need for the Commission to exercise oversight over the Internet traffic exchange practices of the largest consumer Internet service providers.<sup>4</sup> The Commission has repeatedly and consistently found that large consumer ISPs have the ability and incentive to abuse their gatekeeper power over access to their consumers. Level 3’s own experience confirms that they have acted on those incentives. As explained below, they have

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<sup>1</sup> Restoring Internet Freedom, WC Docket No. 17-108, Notice of Proposed Rulemaking, FCC 17-60 ¶ 1 (rel. May 23, 2017) (Notice).

<sup>2</sup> See Appropriate Framework for Broadband Access to the Internet over Wireline Facilities, GN Docket No. 00-185, *et al.*, Policy Statement, 20 FCC Rcd 14986 ¶ 5 (2005) (“The Commission has a duty to preserve and promote the vibrant and open character of the Internet....”).

<sup>3</sup> Protecting and Promoting the Open Internet, GN Docket No. 14-28, Report and Order on Remand, FCC 15-24, 30 FCC Rcd 5601 (2015) (*Open Internet Remand Order*).

<sup>4</sup> In these comments, the term consumer Internet service provider, or consumer ISP, refers to entities that provide broadband Internet access service as defined in the Commission’s rules. See 47 C.F.R. § 8.2(a).

leveraged their gatekeeper power, attempting to demand unjustifiable, non-cost-related tolls from the content providers and other networks they exchange Internet traffic with. Those actions harmed the Internet ecosystem and the public.

The adoption of the 2015 *Open Internet Remand Order* had a dramatic impact on the big consumer ISPs' conduct. In that order, the Commission declared that it had authority to hear complaints regarding consumer ISPs' Internet traffic exchange practices. In Level 3's experience, although it did not solve every problem, this assertion of jurisdiction caused the big consumer ISPs to reevaluate their positions. For these ISPs, the prospect of being required to defend their conduct persuaded them to become, if not reasonable, at least less unreasonable. And that was enough. Level 3 was able to reach agreements with these ISPs that provided for significant increases in interconnection capacity, leading to improved Internet service for millions of Americans.

If the Commission follows through on its proposal to abandon its oversight of Internet traffic exchange, there is every reason to expect that the biggest consumer ISPs—which have grown even larger since 2015—will once again act on their incentive to force interconnecting parties to pay unjustifiable access tolls. And there is every reason to believe that they will be successful. The consequences of their actions for the Internet and the public are predictable: artificially inflated costs for the exchange of Internet traffic and therefore Internet services generally, impaired performance, or both. No consumer wants higher prices or worse performance. But there is a further pernicious effect. By impairing consumers' access to content and services, commercial and non-commercial, these tolls disrupt the virtuous cycle of innovation, investment, and growth that has been the hallmark of the Internet and that has

contributed so significantly to the Nation and the world. The Commission should not permit such an outcome.

## **II. THE COMMISSION SHOULD MAINTAIN AUTHORITY OVER LARGE CONSUMER ISP INTERNET TRAFFIC EXCHANGE PRACTICES TO PREVENT THEM FROM ABUSING THEIR GATEKEEPER POWER**

### **A. Large Consumer ISPs Have the Ability and Incentive to Abuse Their Gatekeeper Power by Restricting Interconnection Capacity.**

It is well established that the largest consumer ISPs, which serve many millions of residential subscribers, have the incentive and ability to abuse their gatekeeper power by restricting interconnection capacity to force interconnecting parties, whether content providers or other ISPs, to pay unjustifiable tolls.

In the 2010 *Open Internet Order*, the Commission found that “[t]he record and our economic analysis demonstrate ... that the openness of the Internet ... faces real threats.”<sup>5</sup> As the Commission explained, some consumer ISPs had “endanger[ed]” the Internet “by blocking or degrading content and applications ... notwithstanding the Commission’s adoption of open Internet principles in 2005.”<sup>6</sup>

The Commission found that consumer broadband ISPs “have incentives to interfere with the operation of third-party Internet-based services that compete with the providers’ revenue-generating telephony and/or pay-television services”<sup>7</sup> including through blocking, degrading, or otherwise interfering with the transmission of the competing services’ data.<sup>8</sup> These incentives have become, if anything, more apparent in recent years, with the advent of more over-the-top

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<sup>5</sup> Preserving the Open Internet, GN Docket No. 09-191, et al., Report and Order, FCC 10-201, 25 FCC Rcd 17905 ¶ 4 (2010) (*Open Internet Order* or *2010 Order*).

<sup>6</sup> *Id.*

<sup>7</sup> *Id.* ¶ 22.

<sup>8</sup> *Id.* ¶¶ 21-22.

video services that compete directly with the big consumer ISPs’ traditional pay TV offerings. Consumer ISPs have similar incentives, the Commission found, to favor edge providers that have paid the provider to exclude or degrade rival services.<sup>9</sup>

In addition, the Commission found that consumer ISPs “have the ability to act as gatekeepers” charging fees or tolls to edge providers and backbone providers for access or prioritized access to end users.<sup>10</sup> In contrast to the incentive to discriminate against services that compete with the ISP’s own services (such as video services), this incentive to generate access revenues applies to any traffic its users might request, whether the traffic is associated with a competing service or not. The Commission found that such fees would cause “harms to innovation”—in economic terms, negative externalities—that would be “particularly large ... and wide-ranging” because of the “rapid pace of Internet innovation” and “the role of the Internet as a general purpose technology.”<sup>11</sup>

Further, the Commission found that if consumer ISPs could profitably charge edge providers for prioritized access to end users, they will have an incentive to degrade the service they provide to non-prioritized traffic.<sup>12</sup>

As the Commission understood, consumer ISPs providers have a variety of means at their disposal to act on these incentives to discriminate against competing services, impose tolls, and degrade service. For example, they can block specific ports associated with specific services.<sup>13</sup>

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<sup>9</sup> *Id.* ¶ 23.

<sup>10</sup> *Id.* ¶¶ 24-25.

<sup>11</sup> *Id.* ¶ 25.

<sup>12</sup> *Id.* ¶ 29.

<sup>13</sup> *See id.* ¶ 35 (observing that in 2005, a consumer ISP paid to settle an investigation into allegations that it had blocked ports used for competing VoIP applications).

They can inspect data packets traversing their networks and take targeted actions against particular applications.<sup>14</sup> Or they can simply decline to interconnect (or what is effectively the same, decline to interconnect with adequate capacity) with another network that is carrying targeted traffic.<sup>15</sup> The Commission accordingly provided that its rules would apply everywhere within the control of the consumer broadband provider, at all layers of the protocol stack and everywhere within its control on the network.<sup>16</sup>

The D.C. Circuit, on review, upheld the FCC's core findings.<sup>17</sup> The court agreed that consumer ISPs have the incentive and ability to discriminate against competing services.<sup>18</sup> Moreover, the court agreed, "broadband providers have *powerful incentives* to accept fees" from those who wish to deliver traffic to the ISPs' end users as well as the ability to impose those fees.<sup>19</sup> The court nevertheless vacated the rules, but not because of any skepticism regarding the

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<sup>14</sup> See *id.* ¶¶ 31, 35. See also Formal Complaint of Free Press and Public Knowledge Against Comcast Corporation for Secretly Degrading Peer-to-Peer Applications, File No. EB-08-IH-1518, *et al.*, Memorandum Opinion and Order, FCC 08-183; 23 FCC Rcd 13028 ¶ 41 ("Comcast has deployed equipment across its network that monitors its customers' TCP connections using deep packet inspection" and, based on the contents of those communications, "terminates some of those connections....").

<sup>15</sup> See *2010 Order* ¶ 67. Level 3, as discussed below, has itself been a target of this last type of abusive practice.

<sup>16</sup> See *id.* at nn. 150, 200, 235. The Commission later asserted that its *2010 Order* did not address traffic exchange issues. See *Open Internet Remand Order* ¶ 31. That assertion was not entirely correct. A provider's practices with respect to interconnection are within its control, although the provider will not have control over its interconnecting *partner's* network facilities. Accordingly, while the Commission did not have authority to, for example, require both parties to an interconnection agreement to implement that agreement in a particular way, the Commission did have authority to forbid harmful traffic exchange practices by consumer ISPs. In any event, it is true that the Commission never had occasion to apply the *2010 Order* in the context of a traffic exchange dispute.

<sup>17</sup> See *Verizon v. FCC*, 740 F.3d 623 (D.C. Cir. 2014).

<sup>18</sup> See *id.* at 645-46.

<sup>19</sup> *Id.* (emphasis added). The court observed that the Commission's findings on this last point were "based firmly in common sense and economic reality." *Id.* at 646.

need for them. Rather, the court concluded that the rules against blocking and unreasonable discrimination amounted to common carrier regulation and that the Commission was not permitted to subject broadband Internet access service to common carrier regulation without classifying it as a common carrier service.<sup>20</sup>

In 2015, the Commission again concluded that “[b]roadband providers function as gatekeepers” with “the economic incentives and technical ability to engage in practices that pose a threat to Internet openness by harming other network providers, edge providers, and end users”,<sup>21</sup> including through abusive and unreasonable Internet traffic exchange practices. As the Commission explained, “regardless of the competition in the local market for broadband Internet access, once a consumer chooses a broadband provider, that provider has a monopoly on access to the subscriber.”<sup>22</sup> This gatekeeper power permits consumer ISPs to act in a variety of harmful ways, “such as preferring their own or affiliated content, demanding fees from edge providers, or placing technical barriers to reaching end users.”<sup>23</sup>

Having compiled an extensive record on Internet traffic exchange, the Commission further found that the record “demonstrate[d] that broadband Internet access providers have the ability to use the terms of interconnection to disadvantage edge providers.”<sup>24</sup> Interconnection, of course, is central to the Internet’s functioning: it is the interconnection and exchange of data between networks that enables users to reach all points on the Internet, not just the resources and users on their own provider’s network. Accordingly, the Commission found, a breakdown in

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<sup>20</sup> *See id.* at 628.

<sup>21</sup> *Open Internet Remand Order* ¶ 78.

<sup>22</sup> *Id.* ¶ 80.

<sup>23</sup> *Id.*

<sup>24</sup> *Id.* ¶ 205.



Internet traffic exchange can “prevent[] consumers from reaching the services and applications of their choosing, disrupting the virtuous cycle.”<sup>25</sup> The Commission declared that it had jurisdiction—and stood ready—to intervene against any potentially harmful Internet traffic exchange practices, including practices that amounted to an attempt to evade the Commission’s other Open Internet rules.<sup>26</sup> On review again in the D.C. Circuit, although they challenged other aspects of the decision to assert jurisdiction over interconnection arrangements, petitioners never challenged the Commission’s finding that consumer ISPs exercise gatekeeper power over access to their users or the need for the Commission to protect against consumer ISPs’ abusive and unreasonable Internet traffic exchange practices.<sup>27</sup>

The Commission reaffirmed these findings again in the Charter-Time Warner Cable merger proceeding, concluding that consumer ISPs “like the Applicants function as gatekeepers between their subscribers and the rest of the Internet.”<sup>28</sup> The largest consumer ISPs, the Commission went on to explain, can leverage their gatekeeper power over access to their millions of subscribers “to charge higher prices that could stifle edge provider innovation” and to discriminate against competing services through their traffic exchange practices.<sup>29</sup> The Commission found that the proposed combination of Charter and Time Warner Cable would strengthen the combined company’s ability to unilaterally impose tolls on interconnecting

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<sup>25</sup> *Id.*

<sup>26</sup> *Id.* ¶¶ 205-06.

<sup>27</sup> *U.S. Telecom Ass’n v. FCC*, 825 F.3d 674, 712-13 (D.C. Cir. 2016).

<sup>28</sup> Applications of Charter Communications, Inc., Time Warner Cable Inc., and Advance/Newhouse Partnership for Consent to Assign or Transfer Control of Licenses and Authorizations, MB Docket No. 15-149, FCC 16-59, 31 FCC Rcd 6327 ¶ 95 (2016) (*Charter-TWC Merger Order*).

<sup>29</sup> *Id.*

entities, raising costs to consumers and impeding the virtuous cycle of development that a free and open Internet supports, a finding supported by a detailed economic analysis.<sup>30</sup>

The Commission's concerns have, time and time again, been proved well justified, including by other enforcement authorities. For example, following a 16-month investigation, the New York Attorney General filed suit against the combined Charter-Time Warner Cable regarding Time Warner Cable's Internet traffic exchange practices. As the New York Attorney General explained,

Spectrum-TWC represented to their subscribers that they would get fast, reliable access to content online like Netflix and gaming. However, Spectrum-TWC knew that it could not deliver on this promise because of the state of interconnection points in the transmission of online content. Specifically, the company was aware of, and sometimes deliberately created, bottlenecks at interconnection points, which resulted in slowdowns and disruptions to subscribers' service.<sup>31</sup>

Level 3 itself has direct experience with large consumer ISPs engaging in precisely the kinds of harmful practices the Commission's framework is designed to address. As Internet traffic volumes have grown over time, Level 3 has worked to expand interconnection capacity between the Level 3 network and the networks of large consumer ISPs and others with which Level 3 peers. Yet as Level 3 explained previously, prior to the Commission's clear assertion of jurisdiction over interconnection disputes in the 2015 *Open Internet Remand Order*, several of

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<sup>30</sup> *Id.* ¶¶ 108, 115 & Appx. C, Part II.

<sup>31</sup> See A.G. Schneiderman Announces Lawsuit Against Spectrum-Time Warner Cable And Charter Communications For Allegedly Defrauding New Yorkers Over Internet Speeds And Performance, Press Release, available at <https://ag.ny.gov/press-release/ag-schneiderman-announces-lawsuit-against-spectrum-time-warner-cable-and-charter>. While attorneys general may be able to file suits against consumer ISPs for defrauding and deceiving consumers, such suits are not an adequate substitute for Commission authority over interconnection practices. Among other things, an attorney general taking action against fraudulent conduct will not be able to act as quickly as the Commission and may not be able to protect against consumer ISPs that adjust their marketing before engaging in harmful interconnection practices.

the largest consumer ISPs had refused to augment interconnection capacity with Level 3 unless Level 3 would agree to pay new, recurring tolls. While Level 3 has always been willing to bear a fair share of the costs of traffic exchange, the tolls the large consumer ISPs sought to impose were entirely unrelated to costs, and the ISPs did not attempt to justify them as cost-related. Instead, these big consumer ISPs were, just as the Commission feared, attempting to impose unjustifiable gatekeeper access tolls. Level 3's experience in this regard is entirely consistent with the Commission's findings, including the conclusion that the more subscribers an ISP has, the greater its ability to act as a gatekeeper and demand tolls.<sup>32</sup>

While the tolls demanded varied among these big consumer ISPs, they frequently equaled or exceeded the price that Level 3 charges its customers to provide connectivity to the entire global Internet—notwithstanding that the consumer ISP was charging only for “opening the door” to its network rather than for global connectivity and was already being paid by its own customer to provide that customer with access to the global Internet. These tolls would likely have been just the beginning, because the rational price for an ISP exploiting its gatekeeper power to charge is the profit-maximizing price: a price reflecting the ISP's control over access to its users and the value those users represent to the edge providers that make services available to them. As a consequence of these consumer ISPs' attempts to exploit their control over access to their customers and to extract access tolls, interconnection ports between the Level 3 network and these ISP networks became extremely congested, and consumers' experiences were harmed as a result.<sup>33</sup>

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<sup>32</sup> In Level 3's experience, smaller consumer ISPs know that they do not have the leverage to impose gatekeeper tolls and do not try to do so, although they generally face higher costs than the larger consumer ISPs that are able to impose such tolls.

<sup>33</sup> *See, e.g.*, Letter from Joseph C. Cavender, Level 3 Communications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 14-28, Attachment at 4-6 (filed Oct. 27, 2014)

Level 3's experience and concerns were echoed by others, including competitors like Cogent, edge providers like those represented by the Internet Association, and independent public interest groups like the Open Technology Institute at New America.<sup>34</sup> And although some large consumer ISPs argued that the Commission should not take action to reign in their abuses, none seriously challenged any of the facts or analysis Level 3 and others presented.

**B. The Commission's Assertion of Jurisdiction over Internet Traffic Exchange Curtailed Consumer ISPs' Harmful Interconnection Practices and Improved Internet Service for Millions of Americans.**

Prior to the adoption of the 2015 *Open Internet Remand Order*, Level 3 had had interconnection disputes with several of the largest consumer ISPs in the United States, some of which had gone on for years. In each case, the consumer ISP demanded that Level 3 pay an unjustified access toll, but Level 3 resisted. Instead, Level 3 offered to bear even more than its share of the costs of the traffic exchange between the networks. For example, rather than simply augmenting existing points of interconnection in the same locations where the networks currently exchanged traffic (a process that is itself virtually cost-free to the consumer ISP), Level 3 offered

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(Level 3 Oct. 27, 2014 *ex parte*); Mark Taylor, Observations of an Internet Middleman, Level 3 Blog, available at <http://www.netformation.com/level-3-pov/observations-of-an-internet-middleman>; Michael Mooney, Chicken, Level 3 Blog, available at <http://www.netformation.com/level-3-pov/chicken-a-game-played-as-a-child-and-by-some-isps-with-the-internet> (Mooney Blog); *see also infra* n. 34.

<sup>34</sup> See, e.g., Reply Comments of Cogent Communications Group, Inc., GN Docket No. 14-28, et al., at 2 (filed Sept. 15, 2014), Letter from Markham C. Erickson, General Counsel, The Internet Association, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 14-28 (filed Feb. 23, 2015); Ken Florance, The Case Against ISP Tolls, Netflix Blog, available at <https://media.netflix.com/en/company-blog/the-case-against-isp-tolls>; Open Technology Institute, Beyond Frustrated, The Sweeping Consumer Harms as a Result of ISP Disputes, attached to Letter from Sarah J. Morris, Senior Policy Counsel, Open Technology Institute at New America, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 14-28, et al. (filed Nov. 18, 2014).

to interconnect in more locations, and to carry traffic further, reducing the relative load on the other network.

Level 3's offer was more than fair. Consumer ISPs offer their customers access to the Internet, on a best-efforts basis, at "up to" specified speeds. Such a promise means, at the very least, that the consumer ISP will engineer its network so that its customer can expect to generally obtain performance approaching the stated level within the very same metro area network serving that consumer.<sup>35</sup> It was there, at any reasonable point the consumer ISP might choose in each metro area, that Level 3 offered to exchange traffic.<sup>36</sup> The consumer ISPs' refusal to agree demonstrates that the dispute was not about finding reasonable terms on which to interconnect, including how to fairly allocate costs, but rather the simple leveraging of gatekeeper power to create artificial scarcity and thereby extract access tolls, precisely the harm the Commission repeatedly identified.

Discussions between Level 3 and these big consumer ISPs remained at an impasse until the 2015 *Open Internet Remand Order*. Once the Commission made clear that it had jurisdiction to entertain a complaint filed against a consumer ISP relating to its interconnection practices, the consumer ISPs' position became untenable for the reasons discussed above: agreeing to augment interconnection on the terms Level 3 had already publicly offered would improve the consumer ISPs' own service and was virtually cost-free to the ISPs (and in fact would reduce their backhaul costs), and accordingly there was no defensible reason for the consumer ISPs to refuse. Level 3 was then able to negotiate new interconnection agreements with all the US-based ISPs

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<sup>35</sup> It is more reasonable to demand more of consumer ISPs: their offer to provide consumer broadband service is a promise to make reasonable efforts, and engineer their networks appropriately, to generally deliver that offered level of performance to the entire global Internet.

<sup>36</sup> See, e.g., Level 3 Oct. 27, 2014 *ex parte* at 3-4, Attachment at 10.

with which it had previously had disputes.<sup>37</sup> While those agreements are not perfect, they are agreements Level 3 was willing to sign under the circumstances.<sup>38</sup> As a result of these new agreements, interconnection capacity between Level 3 and the consumer ISP networks has been increased substantially, benefitting the Internet ecosystem as a whole and end users in particular.

Of course, none of the agreements Level 3 negotiated with these large consumer ISPs will last forever. If, when those agreements expire, the Commission has disavowed its promise to protect against harmful interconnection practices, it is reasonable to expect consumer ISPs to once again leverage their gatekeeper power to harm the Internet and consumers. Indeed, today, the largest consumer ISPs are even bigger than they were when the Commission acted in 2015: together, the largest four consumer ISPs, Comcast, Charter, AT&T and Verizon, now provide service to more than 70 *million* subscribers, more than 75 percent of the total number of subscribers served by the top 14 consumer ISPs.<sup>39</sup>

It bears emphasizing just how harmful disputes caused by these consumer ISPs' practices are to the public interest, both while they persist, as well as after they are resolved—if they ever are. While the consumer ISPs' hold-up game persists, interconnection capacity between networks is constrained. Level 3 (and other similar providers) are held hostage and must choose:

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<sup>37</sup> See, e.g., Level 3 and Verizon Enter Into Interconnection Agreement, Press Release, available at <http://news.level3.com/news-archive?item=137023>; Level 3 and AT&T Enter Into Interconnection Agreement, Press Release, available at <http://news.level3.com/news-archive?item=137034>.

<sup>38</sup> Some of the agreements contain terms that are harmful to Level 3, to the Internet ecosystem, and to consumers, and Level 3 believes that the Commission should not permit consumer ISPs to impose them on interconnecting parties. Nevertheless, Level 3 was willing to tolerate those terms because doing so meant additional capacity would be brought online faster than would have been possible if Level 3 had brought a complaint to the Commission.

<sup>39</sup> See Leichtman Research Group, About 960,000 Added Broadband in 1Q 2017, Press Release, available at <http://www.leichtmanresearch.com/press/051917release.html>.

they can stop competing to carry additional Internet traffic, limiting transit and CDN competition overall and leading inevitably to higher prices and worse service across the Internet ecosystem; or they can continue to compete, oversubscribing the artificially constrained interconnection capacity to consumer ISP networks, resulting in degraded performance for applications and content traversing those links. If Level 3 or others capitulate to the big consumer ISPs' demands for access tolls, providers like Level 3 would need to adjust their own prices accordingly. That would establish what amounts to a price floor for such services generally, halting and possibly reversing the decades-long trend of declining transit prices. Attempts to impose such tolls amount to an attack on the virtuous cycle of innovation, investment, and growth that has long characterized the Internet, with no countervailing benefit to the public.<sup>40</sup>

For these reasons, it is imperative that the big consumer ISPs' Internet traffic exchange practices remain subject to the Commission's jurisdiction. If the Commission disclaims its authority over those practices, any other open Internet protections retained or adopted by the Commission would be fatally compromised. Level 3's experience confirms that the harms that the Commission has repeatedly and consistently established rules to prevent would inevitably follow.

### **III. THE COMMISSION SHOULD GROUND OPEN INTERNET PROTECTIONS ON SOLID LEGAL FOUNDATIONS**

Much of the Notice focuses on a proposal to reclassify broadband Internet service as an information service, rather than as a telecommunications service as it is classified today. From Level 3's perspective, the most important thing is that the Commission retain authority to protect

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<sup>40</sup> See *Charter-TWC Merger Order* ¶ 121 (“We conclude that, without conditions, New Charter would be able to extract higher interconnection fees as a result of the transaction. Because New Charter would not face substantial competition for BIAS subscribers, it would not be incented to pass through to its subscribers a significant proportion of these additional fees.”).

the free and open Internet, including specifically against harmful Internet traffic exchange practices like those that the largest consumer ISPs have engaged in previously. So long as the Commission remains a “cop on the beat”—with sufficient authority to act when, where, and to the extent necessary—the specific legal basis for that authority is less important. For that reason, while Level 3 supports protecting the open Internet under the existing Title II regime, Level 3 is also open to supporting protections grounded in other sufficiently robust authority. For example, there has been widespread discussion of the possibility of Congressional action to provide additional authority for the Commission to protect the Internet. If the protections provided under that additional authority were sufficiently strong, Level 3 would support that approach as well.

In the absence of Congressional action, however, the Notice’s proposal to reclassify consumer Internet access service as an information service, if coupled with a decision to interpret Section 706 of the Telecommunications Act of 1996 as hortatory rather than a grant of substantive authority, brings substantial risk for the Internet ecosystem and the public. That is, if the Commission will not rely on Title II or Section 706, the Notice does not identify any other sure legal basis to support Commission authority to protect the Internet against harmful practices by consumer ISPs—harmful practices in which big consumer ISPs have engaged in the past and which they have every incentive to repeat.

Unless the Commission identifies sound, alternative legal authority to protect the Internet, including authority over consumer ISP Internet traffic exchange practices, the Commission should retain its existing authority. To do otherwise will inevitably harm the Internet and the American people as consumer ISPs leverage their market power to extract tolls from Level 3, other backbone providers, and edge providers. To be sure, the Commission can adjust its rules as appropriate in the public interest, including in this proceeding. But the



Commission's existing framework is working today to protect consumers and the entire Internet ecosystem, and the Commission should not discard it unless it can be simultaneously replaced with something that will protect the free and open Internet at least as well.

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