

I believe that it is absolutely integral that the FCC pass net neutrality rules to preserve an open Internet in order to facilitate economic growth, promote innovation and protect consumers' rights.

According to the McKinsey report, "Internet Matters: The Net's sweeping impact on growth, jobs and prosperity", the Internet contributes 3.8% to the GDP of the United States. That's over half a trillion dollars! What's more amazing than that is the fact that the Internet has accounted for 15% of the growth in GDP over the past 5 years. This growth can only be limited by the introduction of rules that restrict the free and open market that the Internet has created.

Think of all of the valuable internet start ups that have been created since 1990: Amazon, Google, eBay, Yahoo!, Facebook, Priceline, Netflix, etc. None of these companies would have been created if it wasn't for the level playing field the Internet provided. How would they have been able to compete against well-established firms if there were cost-prohibitive barriers to entry (starting operations on the Internet) when they were formed. Imagine if Sears, the now-defunct Filene's or JC Penny would have been able to get preferential treatment (i.e., faster loading times, more bandwidth) for their websites, simply because they had the financial ability to do so. None of these former-upstart companies would have been able to grow and compete as they would have been at a competitive disadvantage.

One of the major goals of the Telecommunications Act of 1996 was to expand "access to both telecommunications and advanced services - such as high speed internet - for all consumers at just, reasonable and affordable rates". My question is, how can that be achieved if comprehensive net neutrality rules aren't passed?

If ISPs are allowed to data discriminate based on the content provider, the ISPs won't be simply provide a "fast-lane" for providers to utilize. On the contrary, the ISPs will throttle the companies that don't pay to get in the "fast lane" to allow for added bandwidth for those companies that do. This way the ISPs won't have to spend a dime to build their systems out to accommodate this new "fast-lane". They will simply utilize currently installed infrastructure and keep us as a country at the status-quo. Why would ISPs install new, expensive, 100% dark fiber lines (from consumer to ISP) when they can act as a dam and control the speed and bandwidth of the data passing through their network?

If data discrimination is allowed, consumers will pay more for the same level of service they are currently receiving. How? If, for example, a video streaming service like Hulu pays money to Comcast for the right to access this so-called "fast lane", who will pay for Hulu's increased expenses? Surely not Hulu's stockholders, but rather Hulu's customers will pay higher monthly fees and Comcast's shareholders will benefit from it. All these extra costs will be passed down and it will simply make an already-expensive service even more so.

In addition, there will be systemic, widespread discrimination in the marketplace. Using the same example as in the above paragraph, Hulu is owned in part by NBCUniversal Television Group. Who owns NBCUniversal? Comcast. What would prevent Comcast, now both an ISP and a content creator (through NBCUniversal & Hulu) and supplier (through its CATV services) from discriminating against a competitor supplying video streaming services? All Comcast would have to do would be to give the "fast lane" to its own subsidiary and not offer it to, or even worse, throttle the speeds and bandwidth of, competitors.

Honestly, I'm horrified that the FCC is even allowing the thought of this. This is a classic example of a vertical monopoly. Comcast would own a large content source, the facilities to bring customers both CATV service and Internet and then when a customer uses the Internet to use a competitor's service, Comcast simply discriminates against them and promotes their own web content. If the Comcast and Time Warner Cable merger is allowed, then this problem only is exacerbated exponentially. According to economist.com, approximately 30% of television consumers and 33% of broadband consumers would be served by the new company. This kind of leverage against other content creators and suppliers (TWC owns HBO, Turner

7521375421.txt

Broadcasting, CNN, Cartoon Network, Warner Brothers / Comcast owns Hulu and NBCUniversal) is astounding. It would be catastrophic for both the Internet and television. TWC/Comcast would be able to strong arm other providers and suppliers into favorable, slanted deals by threatening to block / impede services otherwise. This cannot be allowed to happen.

When it is time to issue a ruling, I hope that the FCC will rule in favor of an open Internet and not simply side with telecommunications corporations. If the FCC rules against net neutrality, the future of the Internet will truly be grim.

- Mark DePace