

July 18, 2014

Federal Communications Commission
445 12th Street SW
Washington, DC 20554

RE: Protecting and Promoting the Open Internet
GN Docket No. 14-28

The Institute for Local Self-Reliance (ILSR) is a 40-year-old nonprofit organization with the following mission:

The Institute's mission is to provide innovative strategies, working models and timely information to support environmentally sound and equitable community development. To this end, ILSR works with citizens, activists, policymakers and entrepreneurs to design systems, policies and enterprises that meet local or regional needs; to maximize human, material, natural and financial resources; and to ensure that the benefits of these systems and resources accrue to all local citizens.

ILSR is the leading national authority on community-owned networks, specifically on municipal networks. Municipal networks are a subgroup of community-owned networks into which we also place cooperatives and other non-profit type arrangements that prioritize public benefits from telecommunications networks over profit maximization.

Community networks have pioneered the expansion of high-speed broadband without implementing paid prioritization, or "fast lanes." A growing number of publicly owned networks provide gigabit service to public facilities, businesses, and residents. These super fast networks succeed in the current Open Internet environment with no need for paid prioritization.

These networks were some of the first to offer a gigabit to any address in town -- Chattanooga, Morristown, Lafayette, Wilson, and Bristol. More have launched it since, including Longmont at the price point of \$50/month. Those leading the private sector in gigabit network deployment - Google and Sonic.net - also have built world-class networks that communities have embraced. None of these networks has needed to change the established principle of non-discrimination to offer services.

Local business, schools, and governments find that technological innovation has transformed high capacity service from luxury to necessity. Economic vitality, education, and civic services depend on the presence of high-speed broadband, especially as they shift from manufacturing and agriculture to tech-centered economies. In places where large corporate providers have not provided necessary connectivity, community networks have bridged the gap for businesses, residents, and local government.

Chairman Wheeler has applauded Chattanooga, where the community has made local business needs a priority.¹ Chattanooga's EPB Fiber studies the needs of local businesses and tailors its

¹ <http://www.muninetworks.org/content/fccs-wheeler-forging-ahead-support-grows-restore-local-decision-making>

commercial services.² Small and mid-sized firms are often the bread and butter of community networks. Because most municipal networks are overbuilders, they have created an identity centered on meeting user needs rather than acting with the high-handed impunity common to the big cable and telephone companies that most want to create fast and slow lanes.

Networks that truly focus first on the needs of their users and act in an environment with real competition are the ones least likely to experiment with approaches that benefit only the network owner while effectively degrading connectivity for all users. A number of publicly owned networks pass on upgrades to subscribers with no rate increases rather than engaging in gimmicks to garner more revenue. The small Iowa community of Spencer is in the midst of upgrading its network from HFC to fiber with no change in rates.³ Spencer Municipal Utilities (SMU) is the lifeblood of many local businesses. Hanson's Clothing, on the brink of shutting its doors, reinvigorated its sales when SMU provided the connectivity to open an online store. Hansen's now ships quality men's clothing to buyers in New York and Los Angeles. SMU is one of over 400 communities that define its "shareholders" as members of the community.⁴ As a result, decisions benefit the community as a whole, rather than export local dollars to distant investors.

Greenlight, offered by the City of Wilson, North Carolina, provides gigabit service to businesses and residents. Incumbents declined to provide connectivity needed to encourage economic development, considering it unprofitable.⁵ Wilson, transitioning away from tobacco and manufacturing industries, built its own network to attract job creators. Community networks like Greenlight have little or no interest in the ability to deliver paid prioritization because it adds nothing to the services they offer. Strong community networks are driven by the desire to increase benefits, not maximize profits:

"Greenlight is driven by three guiding principles," said Will Aycock, the network's General Manager. "Supporting the economic health of the community, improving the delivery of city services, and enhancing the quality of life for the citizens of Wilson."⁶

Conclusion

The FCC should be extremely wary of any arguments that claim paid prioritization or other discriminatory practices are necessary to increase investment in next-generation networks. These networks are already being built and paying for themselves in both public and private approaches (as well as partnerships mixing the two). ILSR sees no reason to believe any additional revenues gained by discriminatory pricing would be reinvested in improving DSL and cable networks as the largest firms operating these networks generally face little competitive pressure to upgrade. That is the problem, not a lack of revenue in the current model.

Our reading of the various court decisions suggest the only option for the FCC to preserve the open Internet and prevent big cable and telephone companies from tinkering with the established

² <http://www.muninetworks.org/content/epb-offering-services-local-businesses-need>

³ <http://www.muninetworks.org/content/spencer-iowa-upgrading-cable-fiber>

⁴ <http://www.muninetworks.org/communitymap>

⁵ *Carolina's Connected Community: Wilson Gives Green Light to Fast Internet*, <http://www.ilsr.org/wilson-fiber-greenlight/>

⁶ <http://www.muninetworks.org/content/being-gig-city-incubating-small-businesses>

principle of non-discriminatory carriage is reclassification and urge the FCC to take this step. However, we also urge the FCC to take actions to prevent any regulation of content. The FCC should concern itself with the transmission of information, regardless of what that information is, consistent with long-held Internet principles.