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Markets Forces Driving the development of the Open Internet.

By Silvia Elaluf-Calderwood PhD

The debate on the potential impacts due to proposed changes to the Communication Act ii have generated a strong debate by all stakeholders involved. I have – and also the team of researchers involved in my work – in our previous letters to the FCC our point of view when comparing the USA and European contexts in which the Internet has developed.

These letters are documented here:

Please see response #60 of this pdf on this link.
http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/CommActUpdate/WP1_Responses_41-60.pdf

Communications Act Update comment on competition June 11, 2014
Submission #42, p. 110 of document.
http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/CommActUpdate/WP3_Responses_22-42.pdf

Communications Act Update comment on interconnection August 8, 2014
Comment #20 of document on p. 146
http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/CommActUpdate/WP4_Responses_1-22.pdf

Additionally this article was published in the media in regards to this topic:
http://america.aljazeera.com/opinions/2014/8/internet-regulationfcctechnologynetneutrality.html

Our publications and work completed between 2010 and 2014 conclude with three main statements in regards to the market forces influencing the net neutrality debate in terms of economic forces:

1. The Internet does not conform to the structure that critics claim. The architecture is modular, not traditional layered or even two-sided market. This means that the threats they purport are not a consequence of market structure and their remedies are inappropriate.
2. Internet actors form the contracts that meet their business goals;

content providers are not “pressured” into deals, they have many means to move traffic.

3. Certain content application providers are Internet companies hyper-giants for traffic consumption, e.g. Google, Neflix etc. They have enormous market ability and ability to control Internet traffic through their behavior, and they could withhold traffic from ISPs to extort payments. The theoretical power of ISPs is decreasing.

For the reasons listed it is my opinion that the FCC attempts to pass strong rules that ban all discrimination and blocking *per se or other equivalents is not a positive move*. The FCC has this unique opportunity of reclassifying broadband providers as telecommunications services under Title II of the Communications Act, such action with adequate limitations to ensure minimal regulation, would give the Commission legal authority to regulate broadband like the utility it is and to maintain non-discriminatory access to the Internet.

The risks associated with doing so have huge impact in the future and sustainability of the Internet and the collateral benefits for technical innovation, digital citizenship and freedom of speech.

Hope this feedback it is of interest.

Best regards,

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