Unnecessary Fear of the Unfamiliar
Since the beginning, telephone companies have been neutral carriers, meaning they give equal priority and quality of service to all internet content providers. They have historically lacked the freedom to decide what to charge for delivering traffic over their own networks, which has become a problem now that internet users can download music and movies that greatly constrain bandwidth activity. For this reason, telephone companies have demanded that internet content providers pay additional fees for high-quality delivery of service. Their argument is that these bandwidth-consuming applications require optimal performance, which the telecom companies will need more money in order to provide.

As stated in the Tussle article, one should be prepared to pay for what one uses, or there is little incentive for a provider to offer it\textsuperscript{1}. I do not suggest that the telephone companies give prioritized service to the first content provider that pays, but that they charge all content providers a fee based on the volume of material they send over their network, as well as the bandwidth the content takes up. This would make the quality of internet service even better for the consumers, and at the same time give the telephone companies a fair share in the money that content providers have made using their service. Companies that do not want network neutrality written into law would also benefit from this, which makes this proposition a more realistic solution to the network neutrality issue.

In the telecom companies’ view, internet content providers owe them money for providing the fiber and wires necessary to connect to the internet, which they have used to make fortunes. Their argument is that “they have spent billions of dollars through the years to upgrade their networks so that users can effortlessly download content from
websites such as Google or Yahoo—with little benefit to the phone companies themselves.” ii An article published recently in The Wall Street Journal affirms that telephone companies’ share prices have sunk because of investors upset by the costs of network upgrades, even though ironically these same investors have taken up the shares of companies using those same upgraded networks. Verizon’s market capitalization is about $88 billion today, compared with $111 billion a year ago. Google, which relies in part on Verizon’s network to deliver services to its many users, has seen its market capitalization balloon to about $133 billion from $53 billion a year ago. This demonstrates that the demands the telephone companies are placing on the internet content providers are legitimate, for why should Google or Yahoo be worth “hundreds of billions of dollars” iii when the telecommunications business “sits at the risk of bankruptcy” iv ?

Many people fear that telephone companies might use their lines to discriminate against certain providers or dictate how a consumer can use the internet and suggest that Network Neutrality be written into law to avoid this. I will argue that companies that provide broadband access are wise business people that recognize that to keep a business afloat it needs users. For this reason, these businesses would not restrict the freedom of their users on the internet, but will only seek more money from the content providers to be able to provide users with the most satisfactory internet quality possible.

Network neutrality supporters believe that the proposals of the telecommunications companies have the potential to alter the flow of commerce and information—and your personal experience on the internet v. This fear arises because the public has taken for granted the fact that phone and cable providers have never before
taken charge of their telecommunications network and charged more for faster service. In *The Progress & Freedom Foundation Blog*, Randolph May questions why there is to be a “big battle” over the fact that the telecom companies want to charge more for faster service, when consumers and businesses have no problem paying FedEx more for next day delivery. Fear is caused by the unknown, and further explanation as to why the telecommunication companies are proposing these charges should dissuade it.

Since nowadays consumers are turning more towards cable or internet-based companies for cheaper phone service, phone companies are being motivated to find new ways to make money from their networks. They have found an effective way to do this by offering content providers the reliable quality of service consumers deserve when using internet services such as real-time video games, phone service and video that are dependent on uninterrupted streams of data. The current quality of service for the most popular internet services that are not dependent on these uninterrupted streams of data, like E-mail and web surfing have not posed a problem, but the telecommunication companies are proposing levels of quality of service to provide high-quality delivery of the content providers’ products that do depend on these.

The telephone companies say that premium content delivery services “are needed because video and other high-bandwidth applications will place a growing strain on their networks, increasing congestion and costs.” Having a two-tiered internet system (one for the phone companies offering the video services and their paying partners, and another for websites who do not wish to pay) will place pressure on the phone companies to provide an even higher quality of service because paying for premium access would demand more than the “best efforts” guarantee that network providers have historically
consented to providing. I agree with the strategy proposed by William Smith, chief technology officer of BellSouth, which suggests charging content providers a fee based on the volume of material they send over BellSouth’s network, as well as the bandwidth the content takes up. He equates this to Google’s technique of charging advertisers more for ads with better display.

The claim that telephone companies will use their networks to discriminate against other companies is hampered by two vital facts. First, it would be extremely unwise for any telecom company to restrict the freedom of internet users, and if we assume that they are wise business people, we know that they will opt against alienating their customers and causing them to search for alternative carriers. Second, it has never happened, so there is no evidence of a problem that would require that network neutrality laws be passed. In addition, parties like the National Cable and Telecommunications Association, or NCTA, argue that the general concept of Net Neutrality is already built into the way most network providers and ISPs are doing business. Thus, government mandates are unnecessary and potentially harmful.\textsuperscript{ix}

Another concern about tiered service posed is what will happen to the small companies that will not be able to pay for premium network access? Will they suffer substandard performance or be given less routing priority to some services? William Smith responds saying, “regular broadband service will not be affected. What we are talking about is offering a higher level of service, not pushing people to a lower level.”\textsuperscript{x} The phone companies say that they simply want to recoup their multibillion-dollar investments in new broadband lines, better manage an increasingly congested network and hold down consumer prices.
Seen in this light, the telephone companies cease to appear as if acting merely out of greediness and the desire to make a profit by imposing restrictions on the internet. They are responding to the fact that they feel cheated and taken advantage of by the internet content providers, and instead of simply charging the content providers more for their own benefit without making any improvements, they are proposing higher-quality service to the consumer. In debates such as these, it is hard to please everyone. The issue at stake is not only freedom, because the reality is that in a capitalist economy, people have to pay. If telephone companies were to charge all content providers a fee based on the volume of material they send over their network, as well as the bandwidth the content takes up, the fairness would be balanced between all parties involved. Consumers would receive a higher quality of service, internet service providers would have happier customers, telephone companies would get a return for their investment, and innovation would not be stifled because small companies can use normal broadband until they become large enough to require and afford the premium service.

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1 Tussle in Cyberspace: Defining Tomorrow’s Internet
3 The Coming Tug of War Over the Internet, 3
4 Tussle in Cyberspace: Defining Tomorrow’s Internet, 4
5 The Coming Tug of War Over the Internet