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# 'Net loss

## Consumers should beware Internet tiers

BY CLIFF ROHDE

For The Sunday Gazette

Marlene Kennedy, in her recent business opinion article on "net neutrality" (Nov. 24), is right to question whether there is actually competition in the Internet access sector.

Perhaps she lives in Niskayuna, where I do. If she does, the answer is obvious: There is no competition, and yet there's little regulation. And that's a problem.

Here's why. Despite what my friends' mother said in the mid-1990s, this "Internet thing" doesn't seem to be a passing fad. Indeed, it can be argued that it has (and will have) as much or more impact on modern life as water distribution systems, electricity and natural gas distribution systems, highways, and telephone service.

The Internet has very quickly found itself not only impacting our every-day life, but changing it, too. Can we live without the Internet? Sure, just like we can live without water from the tap, electricity and an interstate highway system. But it's not quite as convenient a life without those things, is it?

### NEED FOR REGULATION

That is why the government regulates the provision of these basic services. We've decided they are basic and that everyone should reasonably be guaranteed access.

Building out Internet access infrastructure is incredibly expensive. When the cable companies were given local monopolies (They typically conveniently forget to mention that part) to build out their TV infrastructure, they had little, if any, idea they would be providing

high-speed Internet service over those facilities. Same for the phone companies when they were building out phone lines.

Is there competition between the two? Not really. DSL (digital subscriber line, from the phone companies) rarely provides the speed that cable does, which is why we scarcely see it advertised any more.

And building out a fiber-optic data network (like Verizon started with FiOS, but has largely stopped because of the expense) is also tremendously costly. Wireless (AT&T, Verizon Wireless, Sprint, T-Mobile) speeds and reliability don't begin, as yet anyway, to compete with cable.

### DELIVERING CONTENT

A related issue is the delivery of content over the Internet. Up until very recently, there was essentially one Internet for the public. All content would reach the end user at the same speed.

Driven largely by the popularity of Netflix, whose service consumes a lot of Internet resources to deliver and view, the cable companies and their allies now would like to create a tiered system, whereby the big players can pay to have their content delivered faster to the consumer. Think of a bullet train running alongside the Northway.

This solution provides a great opportunity for cable companies: They can charge the big guys (Netflix, YouTube, Hulu, and etc.) more to have their content delivered faster to the end user. It's not terrible for the big guys because they can defray the cost by charging

the consumer more for the faster speeds and, importantly, they get the faster speeds.

But this is a disaster for the consumer and smaller businesses alike. Think about your use of the Internet. Do you favor faster websites? Should this scenario play out, smaller businesses (a local restaurant vs. a big national chain, or a small website-hosting company like mine vs. a big national provider) will be at a distinct disadvantage. Unable to pay the premium for faster access to the consumer, our services will be, relatively speaking, degraded.

### SERVICES DIMINISHED

Because smaller businesses will be priced out of the faster Internet tier, our services will be diminished. Undoubtedly some businesses will fail, not because of an inferior product, but because there is no level playing field. Consumer choice will suffer in the long run.

This situation, of course, is exactly contrary to what has made the Internet such a vibrant medium for innovation over the last 20 years.

Every consumer should be very concerned when the de facto monopolies of a basic service that facilitates modern life insist that they should be given free rein to do whatever they want and charge whatever they want to whom-ever they want.

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