
# The Seven Myths of Net Neutrality

**Zack Christenson**

After years of being the issue that only "techies" and interest groups cared about, last week President Obama brought the Net Neutrality debate onto center stage. In his address, the president called on the Federal Communications Commission (FCC) to reclassify Internet service providers as a public utility. The move wouldn't just lead to some strange FCC internal dialogue about evening television. It would likely change the face of the Internet, and set the stage for pages of new policymaking.

Republican leadership was quick to take issue. Ted Cruz's now infamous tweet (an analogue between Neutrality and Obamacare) has, for some, created more confusion around this topic. The truth is that policymakers on both sides of the aisle may have, at times, intentionally made misleading the public about the intricacies of Net Neutrality, or they simply lack an understanding themselves. Either way, new myths about this topic seem to pop up daily. To clarify any misunderstanding, here are five popular myths debunked:

## Myth #1--Internet service is a monopoly

The most cogent argument in favor of Net Neutrality is that consumers lack choice. It doesn't take much for one to imagine an Internet hellscape where consumers have no options and are beholden to the whim of their service providers. Imagine for instance, Comcast (soon to merge with Time Warner) slowing down access to Netflix and other competitors. Meanwhile their users are stuck in a sea of *Everybody Loves Raymond*, or whatever TCM is streaming these days.

It makes for the premise of a great Orwellian novel, but not so much for reality. Actually, options for internet service are broader today than ever before. New technologies like satellite internet, power line internet, and wireless broadband supplement traditional cable and telephone-based ISPs. Innovators, like Elon Musk and his microsatellites, are dreaming up even more options for access every day.

Instead, the extensive regulatory costs and taxes that would result from treating ISPs as a public utility would discourage new innovators, investors and rivals from wanting to compete in the market. Public utility regulations preserve public utilities.

## Myth #2--Limited ISP options demand government intervention

We now know that competition amongst internet service providers is fiercer than ever. But, in those communities where indeed internet service options are still limited, what's to blame? The populist argument that evil corporate monopolists are pushing out their competitors is often cited. But the real culprits are local governments.

City and county governments have been creating their own ISPs, charging taxpayers to setup the infrastructure, creating impossible barriers to entry, and running up debt to price out their competition. As Berin Szoka points out, "Localities are scared of losing revenue, but those revenues are really hidden taxes that are ultimately borne by broadband users." The list of municipal broadband failures is long, and it is supported by taxpayers and the consumers of other utility services.

So it seems we have another example of a government trying to solve a problem that only a government could have created. Without local interference, the very premise of Net Neutrality (that monopolistic ISPs will force users into content they want to promote) wouldn't exist.

## Myth #3 -- The Internet is a utility, just like water

In order to enforce Net Neutrality and have the freedom to make policies governing ISPs, the FCC would need to reclassify Internet service as a "public utility" under Title II. It's easy to see a wire running into your house and draw the parallel between Internet service and electricity or city water. Certainly it can feel like a modern basic necessity, so why shouldn't we consider it a utility?

Well, for starters, the internet isn't something that we simply tap into. Its infrastructure is complex and distributed amongst millions of users, servers, CDNs, ISPs, and others. In addition, the Internet is still growing, and growing fast. By reclassifying the Internet under Title II of the Telecommunications act of 1934, regulators would be handicapping the growth and innovation of a fast-moving industry, much like what we observe from the old, stodgy public utility.

## Myth #4 -- The Internet is currently equal

A group of 11 Democratic senators wrote in a letter to the FCC, "Sanctioning paid prioritization would allow discrimination and irrevocably change the Internet as we know it." Peter Suderman, Senior Editor at Reason Magazine, was quick to point out what everyone seems to want to forget. The Internet has never been free and equal. We'll talk a bit more about why that will never change thanks to hardware and infrastructure in the next bit. For

now, let's examine a world where content providers and ISPs partner up in a series of backroom deals worth millions of dollars. It shouldn't be hard to imagine, because we live in that world.

Netflix, YouTube, and countless others pay billions each year to get any bandwidth advantage they can get. As Suderman writes:

> *Not only have these deals not ruined the Internet experience for the average person, they've enhanced it, allowing traffic-intensive services like streaming video sites to purchase enhanced capabilities. Those deals have made it possible for startups to handle massive traffic spikes without crashing. And the money involved has helped expand, upgrade, and maintain the Internet's permanent infrastructure overall.*

## Myth #5 -- The Internet is, by Default, Neutral

Let's say I've got an important message (I've got exclusive access to the newest Taylor Swift jam) and I want to get it out to the world. I'll create a short video, upload it to my personal website, and we're off and running. Getting folks to see the video isn't equitable. Major content producers and news orgs have a huge advantage on Google and other search engines. Those algorithms are anything but neutral; instead, they're driven by consumer desires.

When the first 200 folks hit my site, the video playback slows drastically. When I hit 1000 users, the site crashes altogether. My server can't handle the load, so I beef it up. Now my friend in Bangladesh says the video takes 12 minutes to load. I don't have a content distribution network (CDN), so folks that aren't near me aren't getting "neutral" treatment. My grandpa wants to show off my site to his bridge club, but it's not working right. His old PC is too slow to watch flash video; it's not being "neutral" enough. App stores are another area where there's little equality—Google and Apple both create their own rules for admission, making access to the store anything but equal.

The fact is that the internet is a complex organism, each part subject to inequality. An effort to create "neutrality" online isn't even utopian, it's impossible. There will be winners and losers, but what makes the internet different than other markets is that it's perfect. Consumers vote with their clicks and their dollars.

## Myth #6 -- Net Neutrality Addresses a Current Problem

So we've established that Net Neutrality doesn't create neutrality, or offer shelter from monopolistic behavior, it isn't a utility into which we can simply tap, and it certainly doesn't create "neutrality." But certainly there are some egregious wrongs that this legislation *will*

correct, right? Wrong. Net Neutrality can do one thing: limit the ability of ISPs to throttle data from various sources. When we look at history, though, we see only a few small instances of proven throttling. In almost all examples, the throttled-back data consists of illegal file sharing software like torrents.

After being the subject the only throttling case brought before a major court, Comcast was quick to adjust its policy to consumer demands and eliminate its throttling program. In order to deliver high-latency data (movies and VoIP) as a priority over low-latency (email) data, Comcast rewrote its plan to satisfy its customers without sacrificing the perception of "equal treatment."

## Myth #7 -- Treating Data equally is Inherently Good

"Equal treatment" of data just sounds like the next big civil rights slogan, doesn't it? But is equality always good? Netflix, for instance, during peak hours represents more than 30 percent of the total data use in the United States. Add YouTube and you're at over 50 percent. It is estimated that illegal piracy represents another 24 percent of peak traffic.

Under Net Neutrality, these data hogs slow access to all content equally. A user that simply wants to read online news must upgrade to the gold Internet package despite only representing a small bit of the bandwidth, while online pirates benefit from what is essentially a subsidy to build larger pipes.

Worse still, many emerging technologies would be rendered completely useless without the ability to prioritize packets. One great example is something called "telemedicine." Telemedicine represents a handful of new technologies that allow rural and under-serviced communities access to the same level of care found in major metro areas. But, as we all know, medical treatment requires precision and quick decision-making. So long as packets of the new Hunger Games movie are treated equal to a surgical consultation, the risk of internet lag mean the difference between life and death.

As the debate over Net Neutrality goes further mainstream, the myths surrounding it are sure to get more perverse. The world of journalistic dilettantes, bloggers and the 24-hour news cycle means we'll likely never see beyond a surface-level understanding of this issue. Hopefully though, policymakers will take the time to dispel these common myths before taking what would a rash decision; one that may indeed change the face of the Internet in an irreparable way.

***About The Author***

*Zack Christenson writes on digital tech issues for the American Consumer Institute Center for Citizen Research, an educational and research organization. For more information about the Institute, visit www.theamericanconsumer.org.*