

Net Neutrality

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Net neutrality has become the most talked about issue in the telecom industry – at least in the West. Every major national business and trade publication has touched on it in some fashion. It's become the tech world's version of abortion rights or gay marriage with two camps presenting equally strong arguments while at the same time overly outspoken on which side they support.

On one hand you have the group that says the Internet should remain unregulated with no offering, service or content having preference over another – no matter how much bandwidth is consumed in the process.

The other side says the Internet is evolving and was never intended to handle the loads of real-time traffic that continues to grow globally at exponential rates. Their main challenge is why should per month charges for the casual web surfer averaging just two megs of traffic per month equal the surfers who continually download movies, music and use the Internet as their main phone pipe? Who should pay for the bandwidth – the content providers, the subscribers or the service providers?

QoS Technology

Often overlooked is that the same technology designed to guarantee service quality in voice and video traffic over the net, is the same that can prioritize traffic coming from individual content providers. Theoretically, a phone company and broadband provider can make sure that all IP packets coming from a competitor – say Vonage or Skype across their network, receives last priority for delivery. Since IP voice and video relies on low latency and jitter for good service experiences, those controlling the pipes determines the fate of many. Talk about competitive advantage!

At last week's GLOBALCOMM trade show, QoS focused product announcements, partnerships and demonstrations was a strong theme. Lucent Technologies unveiled Acuity, an architecture designed to help carriers manage the quality of packet-based services such as IPTV, particularly when blended with others such as voice.

The architecture is designed to allow efficient network management by dynamically adjusting bandwidth and QoS parameters for individual services, allowing end-to-end service level agreements paving the way for tiered service offerings.

Powering the new architecture is the software-based Lucent Resource Manager (LRM). The LRM communicates with various network elements to not just enforce end-to-end QoS but also ensure “quality of experience” for the end user--meaning not only tightening up latency and jitter but also response times to user commands.

Likewise, Sandvine, a Canadian IP traffic management specialist announced the PTS 14000 platform. Targeting tier-1 broadband providers, the platform is designed to monitor, identify, analyze and optimize IP traffic in real-time and on a per-subscriber basis.

What's the Answer?

Money! History suggests that most issues, especially in business simply boil down to revenue potential. Unless governments step in, if money can be made by regulating Internet usage, that's where the train is headed.

Simon Sherrington, an analyst for Light Reading, and author of the report "'The End of Net Neutrality: An Economic Analysis'" suggests that QoS fees if properly executed could end up being a multi-billion dollar business. Sherrington offers two plausible business models.

The first model is to sell higher tiers of service to content owners that need guaranteed fast, high-quality delivery of their packets for example: IP phone and Mobile TV providers and popular websites like UTube or Google. Carriers could charge based on the number or size of downloads, or based on the type of content accessed.

The second involves allowing content providers to "cache" content within the local access network. In this case, the carrier has end-to-end control over service levels because the packets originate and are delivered within the same network. The broadband provider gets paid each time the public consumes the content.

Sherrington warns that both business models will enhance pricing wars between the broadband providers and that customer churn will remain a great threat unless clever pricing models are executed.

Where does the U.S. government stand? At the time of writing this article, major telecom companies (most in favor of a non-neutral net) won a victory, when the U.S. House of Representatives passed a telecom reform bill that sets up national video franchise rules without including a Net Neutrality component. The Communications, Opportunity, Promotion and Enhancement Act, sponsored by Rep. Joe Barton (R-Texas) passed by a vote of 321-101. An amendment, offered by Rep. Edward Markey (D-Mass.), that would have prohibited broadband service providers from offering tiered services that give preferential treatment to content providers who pay more, was defeated by a vote of 269-152.

Herschel Abbott, BellSouth vice president of governmental affairs offers the following statement. "Given the amount of debate over so called 'net neutrality' during consideration of this bill, let me again assure consumers that BellSouth will not block or

degrade access to any legal content on the internet. Net neutrality is a phony issue and it ought to be laid to rest by today's vote.”

Phony issue? Let's be honest, as I said, it's a money issue. My question is – will this decision only affect Internet usage models in America or will a regulated Internet eventually trickle into the global economy?

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