How Open is Open Internet?

US Vice President Joe Biden and UK Foreign Secretary William Hague both made statements in support of the “open internet” at the London Conference on Cyberspace, but what does “open” really mean? Already under discussion are limitations to “openness” in the name of copyright protection and national security, and the debate has focused largely on consumer’s rights to access. There is another angle to be considered, which concerns access for those providing online content. Should content providers pay to be online, or should they be allowed to pay for preferential service? Recently, UK content providers weighed in on the debate.

In a paper by UK firm Plum Consulting, *The Open Internet – A Platform for Growth*, major players in the content and application businesses have come together to call for a ‘clear signal of commitment’ to the principles of the open Internet by policymakers and regulators.

Funded by the BBC, Blinkbox, Channel 4, Skype and Yahoo!, the Plum report defines “open internet” as freedom of choice for users in accessing content and applications and free access “without permission” to those users for content and application providers. The report concedes that traffic management can sometimes be beneficial, but only if service providers adhere to a non-discriminatory approach.

The report asserts that the open internet has fostered innovation and growth, which is the crux of the entire open internet/net neutrality debate. Consumers pay for access to content, applications and services. As those offerings increase, the consumer appetite for new services, higher speeds, and more bandwidth also increases. Network operators in turn benefit from this increase in popular, bandwidth-heavy content and applications. The Plum report notes that in 2010, European ISP revenues reached nearly €150 billion. If barriers to online business are increased, new content and applications will decrease and the network will suffer, leading to decreasing revenues for network operators.

The paper proposes that the fragile internet ecosystem requires protection through various policy measures, including the adoption of a self-regulatory code of conduct with some form of regulatory oversight from Ofcom.

What the companies behind the Plum report wish to ensure is that they cannot be ‘held to ransom’ by network providers for the carriage of bandwidth intensive content and services. If left unregulated, it may be possible that network providers attempt to impose extra costs on content providers, such as the US case of Comcast and Netflix last year, and the Dutch mobile operator KPN charging for access to VoIP services.

UK network operators have previously indicated that they wish to reserve the right to ‘innovate’ with different delivery and charging methods, which is in contrast to the ‘open internet’ principles. Sky’s response to last year’s Ofcom consultation on the issue takes the position that the UK’s competitive market will be the driver for access providers to innovate with different delivery and charging methods, whereby the network provider can offer content and applications providers a service that guarantees a high Quality of Service over their network. This line conditioning technology is already in place within the BT network, whereby their own BT Vision IPTV content is delivered to customers via a dedicated 1.6mb/s ‘session’. The Plum report does not directly suggest that this should be prohibited, but insists that if commercial agreements are permitted they are done so on the principle of parity of access: “The same opportunity on the same terms should be available to all”.

Whether voluntary or not, paying for privileged access to users represents a significant departure from the principles of the open internet. The Plum report appears to regard this as an inevitability and proposes a self regulatory framework to ensure that the deals are done in the open, with equal access, and with none of the aforementioned ‘ransom’ situations. It could, however, result in a domino effect whereby content providers are forced to pay for access in order to remain competitive.

While the proposals offer a degree of protection for the content providers, they offer little for consumers who may see additional carriage costs passed down. Pay for online carriage deals have the potential to restrict access for the consumer and split the internet into various levels of differentiated Quality of Service, which represents a major threat to the open internet from an end-user perspective.

We will have to see to how Hague’s open internet rhetoric at the London Cyber Conference translates into implementable commitments to net neutrality the forthcoming communications green paper, if at all, in order to see how the UK government understands ‘open’.

Nate Vaagen and Liam O’Neill collaborated on this post

November 4th, 2011 | Net Neutrality | 0 Comments