Guaranteeing Net Neutrality Through Innovative Alternatives
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29/05/06

Content providers are pressuring legislators to make neutrality a requirement on the Web, but telecom operators consider this neutrality unfair. Operators argue that they make massive investments to implement and update the infrastructures needed to support the model of convergence for telephone, television and broadband services. This investment, they say, especially benefits online content providers. Consequently, they want to offer greater bandwidth to providers who pay more and limit the access to websites that generate little or no income. This new pricing structure could mean restricted access to certain applications and services, such as voice over IP, for example.

Doing away with the principle of Net Neutrality would change the fundamental nature of the Internet around the world, given that what is decided in the United States ultimately affects what happens in other countries; telcos, however, are being insistent. This is partly because competitors that use their networks for providing alternative services—as is the case with VoIP companies—jeopardize their main sources of income. It is also because they are aware of the power they hold due to the fact that their networks are the thoroughfare for the majority of all digital content. This is especially true when operators expand their role to go beyond simply providing broadband access to the Internet. From that point of view, it seems legitimate that operators demand more control over the traffic that runs through their infrastructures, in order to achieve a greater return on their investments. This is even more valid if congestion of their networks can cause problems for video applications that require high-quality service.

Nevertheless, seen from a strategic point of view, giving preferential treatment to providers with whom operators sign premium contracts may have a negative effect on the structure of the sector as well as on competition. In large part, the social impact and the commercial success of the Internet is the result of its design and architectural features (layered model and point to point), which allows for innovation at every level of the Web without having a central control mechanism. In this context, the appearance of new entrance barriers will lead to a drop in competition and, therefore, in innovation for Internet applications and content.
This virtual strangulation could have a direct impact on operators’ balance sheets. Firstly, because the appeal of the Internet lies precisely in its decentralization, and secondly, because many companies would have to rearrange their current business model. The implementation of any new payment concept could ultimately bring repercussions for the end users or advertisers, and redefine the role of each of the sector’s key actors. The resulting impact from these changes could affect the various realms of the information society and thus the economic development of many countries. Nevertheless, we cannot ignore the fact that the information society will be developed thanks to investments by new generation network operators.

As a result, operators must concentrate on providing a high-speed communication channel and guaranteeing that consumers can use their broadband connection for equal access to any online content or service. At the same time, they need to find scenarios for generating adequate profitability. One possible solution would be to create different segments and rates based on the users’ profiles, consumption habits and even on the type of applications and/or content they access through their networks. In other words, the rate differentiation should not be established by the provider, but rather by the type of data. New technologies, such as IPv6, facilitate this differentiation by prioritizing data packets. This solution would not only add commercial value but also give incentive to ISPs to improve the efficiency of their networks.