

The Changing Internet: Hips Don't Lie
Remarks of Commissioner Jon Leibowitz¹
at "Protecting Consumers in the Next Tech-ade" Hearing

Some of the most important issues regarding Net Neutrality involve transparency and disclosure. Will carriers block, slow, or interfere with applications or services? If so, will consumers be told all of this before they sign up? To my mind, failure to disclose these limitations would be “unfair or deceptive” in violation of the FTC Act.

Net Neutrality also invokes complicated competition issues. The last mile of the Internet is its least competitive. Nearly all homes in the US – upwards of 98 percent – that receive broadband get it either from their cable or telephone company. Up until now, the relative neutrality of the Internet has meant that competition and innovation elsewhere in cyberspace has not been affected by the market power of the telephone and cable companies. But if these companies are able to discriminate, treating some bits better than others, there is a danger that their market power in the last mile can interfere with the growth, character, and development of the Internet.

To be sure, there is another side to the debate. The ability of providers to charge more for time sensitive applications and content that takes up more broadband may encourage them to make necessary investments. That’s a goal that all of us should support.

I’m lucky: I can raise these questions without providing answers – ones, by the way, that I don’t necessarily have. Like you, I’ll be looking for solutions to the problems of the future from our experts today. Hopefully, Woody Allen will be proven right: they’ll involve cream pie and hot fudge.