

## **Robert J. Shapiro**

Former Under Secretary of Commerce for Economic Affairs

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# **New Net Neutrality Framework Will Free FCC to Refocus on Universal Broadband**

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Much like the compromise on taxes reached by the White House and Republican congressional leaders, the new approach to "net neutrality" announced by Federal Communication Commission (FCC) chair Julius Genachowski represents the logical middle ground. It provides a framework that should encourage broadband providers to ramp up their investments in the Web's basic infrastructure. Moreover, should the FCC adopt the compromise rules at its December 21 meeting, it would enable the Commission to focus on ensuring that every American has real access to broadband and end the "digital divide" that continues to leave significant numbers of lower-income and minority American without this critical service.

The goal of universal broadband is one that virtually everyone already embraces. Citing the myriad ways that broadband already has transformed the lives of most Americans, Genachowski remarked: "It's hard to imagine life today without the Internet -- any more than we can imagine life without running water or electricity." Further, by ending a long spell of regulatory uncertainty, the new rules could help trigger just what the U.S. economy currently needs -- a new wave of investment and business formation by entrepreneurs that finally will know the rules of the road for the Internet.

As Chairman Genachowski has noted, the FCC has a large positive agenda to address in 2011, once the net neutrality tangle has been put to rest. Just to begin, this agenda includes freeing up more radio spectrum to meet growing demand for mobile broadband services, the creation of a new "Connect America Fund" that would focus on delivering broadband to underserved communities, and the reform of the rules that govern the exchange of traffic among telecom carriers to spur more innovation.

To clear the way for this agenda, the FCC Chair's proposed compromise on net neutrality accords new legal standing to the principle that consumers have the right to control their own Internet experience and visit the legal Websites of their choice. Under the new framework, Internet Service Providers (ISPs) cannot block legal websites or discriminate unreasonably in how they transmit lawful traffic. This part of the framework represents an important victory for

net neutrality advocates: As a matter of law, network operators will be barred from acting as gatekeepers determining what consumers can and cannot do online.

At the same time, the compromise protects the incentives for broadband operators to continue to invest in the Web's infrastructure, especially at a time when the marketplace for mobile services and devices is expanding so rapidly. The framework accomplishes this goal by recognizing the value of network management by the ISPs to address Internet congestion and keep broadband services operating efficiently. That recognition is critical, because providers will have to invest an estimated additional \$300 billion or more in Web infrastructure in coming years to handle the sharp recent and projected increases in demand for bandwidth, coming largely from the spreading use of video applications.

The compromise may not satisfy the purists on either side -- both those who advocate no regulation at all and those who would tell ISPs in great detail how to conduct their businesses and charge for their services. That's why they call it compromise. But it represents more than simply a splitting of the differences between the two camps. It embodies a sound approach, both socially and economically, to future regulation of this crucial area of American life. Most important, it will clear the way for the Commission to help make universal broadband a reality, free up the spectrum needed for continued investment and jobs in the mobile services that consumers clearly want, and position the telecommunications industry to make a real contributions to a strong American economic recovery.

*Robert J. Shapiro is the chairman and co-founder of Sonecon, LLC, a private consulting firm whose clients have included Amgen, AT&T, Cisco, Google, Gilead Sciences, NASDAQ, and Fujitsu of Japan; and non-profit organizations including the American Public Transportation Association and the U.S. Chamber of Commerce.*