

# The Washington Post

## The Internet's Future

Congress should stay out of cyberspace.

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THE SENATE will hold hearings tomorrow on "net neutrality," the idea that the pipes and wires that form the Internet should treat all content equally. An alliance whose membership ranges from the Christian Coalition to MoveOn.org is demanding that Congress write this neutrality into law; the groups fear that the pipe owners -- cable companies, phone companies and so on -- might otherwise deliver corporate content at high speed for high fees, while consigning political Web sites and hobbyists to a slow information byway. These arguments are amplified by the big Internet firms -- Google, Microsoft, eBay -- that want their services delivered fast but don't want the pipe owners to extract fees from them. Although this coalition lost a House vote last week, its prospects are stronger in the Senate. (The Washington Post Co. owns broadband networks that might charge Web sites for fast delivery. It also produces Web content that might be subject to such fees, so it has interests on both sides of this issue.)

The advocates of neutrality suggest, absurdly, that a non-neutral Internet would resemble cable TV: a medium through which only corporate content is delivered. This analogy misses the fact that the market for Internet connections, unlike that for cable television, is competitive: More than 60 percent of Zip codes in the United States are served by four or more broadband providers that compete to give consumers what they want -- fast access to the full range of Web sites, including those of their kids' soccer league, their cousins' photos, MoveOn.org and the Christian Coalition. If one broadband provider slowed access to fringe bloggers, the blogosphere would rise up in protest -- and the provider would lose customers.

The cable TV analogy is doubly wrong because media culture reflects technology. Cable TV has been the province of Hollywood studios because making a sitcom is expensive and hard -- though, with cheap digital camcorders, this is changing. Equally, the Internet is the province of experimenters and hobbyists because creating your own Web site is cheap and easy. Thanks to technology, the Internet will always be a relatively democratic medium with low barriers to entry.

The serious argument for net neutrality has nothing to do with the cable TV boogeyman. It's that a non-neutral net will raise barriers to entry just slightly -- but enough to be alarming. To use a far better analogy: Competitive supermarkets aim to please customers by offering all kinds of goods, but the inventor of a new snack has to go through the hassle of negotiating for display space and may wind up on the bottom shelf, which dampens his incentives. Equally, if the owners of Internet pipes delivered the services of

cyber-upstarts more slowly than those of cyber-incumbents, the incentive to innovate might suffer. Would instant messaging or Internet telephony have taken off if their inventors had had to plead with broadband firms to carry them?

This concern should not be exaggerated. Cyber-upstarts already face barriers: The incumbents have brand recognition and invest in tricks to make their sites load faster. The extra barrier created by a lack of net neutrality would probably be small because the pipe owners know that consumers want access to innovators.

Meanwhile, there are powerful arguments on the other side. If you want innovation on the Internet, you need better pipes: ones that are faster, less susceptible to hackers and spammers, or smarter in ways that nobody has yet thought of. The lack of incentives for pipe innovation is more pressing than the lack of incentives to create new Web services.

You can see this imbalance in Wall Street's low valuation of Internet infrastructure firms such as Verizon (price-to-earnings ratio: 12) and its infatuation with Internet service firms such as Google (price-to-earnings ratio: 69). You can see it, too, in the fact that U.S. broadband infrastructure lags behind that of East Asia and Europe. Allowing builders of Internet infrastructure to recoup their investment by charging the Googles and Amazons for use of their network would balance the incentives for innovation more closely. Ironically, a non-neutral net would accelerate the spread of zippy broadband that can deliver movies, allowing hobbyists with camcorders to take on Hollywood studios. The neutrality advocates who criticize corporatized cable TV should welcome that.

The weakest aspect of the neutrality case is that the dangers it alleges are speculative. It seems unlikely that broadband providers will degrade Web services that people want and far more likely that they will use non-neutrality to charge for upgrading services that depend on fast and reliable delivery, such as streaming high-definition video or relaying data from heart monitors. If this proves wrong, the government should step in. But it should not burden the Internet with preemptive regulation.