

Introduction:

Phone companies, electric and gas companies, water providers, and several other essential infrastructure services are often called **utilities**. Utilities tend to be natural monopolies (see previous lesson for definition), and therefore tend to be highly regulated with either price, output, or other forms of restrictions placed by a governmental agency, often called the Public Utilities Commission or PUC. Some types of infrastructure, however, do not tend toward monopolies as clearly and therefore tend to be regulated differently, if at all. These include sports and recreation facilities, education, health, and many other social services, as well as postal delivery and several other forms of infrastructure.

One of the most important infrastructure developments in the 21st century is the prevalence of the internet. In 2010, internet retail sales totaled \$167 billion. By 2014, that number had nearly doubled to \$304 Billion. By 2018, that number is expected to eclipse half a trillion dollars! Of course, the internet isn't just for shopping. According to the American Press Institute, in 2014, 69% of Americans read the news on the internet, well above the number who read newspapers or magazines, the more tradition form of news consumption. The internet is also our best source to find any piece of information from a good restaurant to who won the 1954 World Series (The New York Giants). Americans average over 2 hours per day on the internet, and of course, the internet has turned companies like Google, Facebook, and Apple into megacompanies. In 2014, Apple had a higher GDP than all of Greece!

Given the importance of the internet, does it need to be regulated like a utility or should the free market decide how the internet is provided and how internet traffic is directed? That is the basic question of **Network (Net) Neutrality**.

Definition of Net Neutrality: The principle that Internet service providers should enable access to all content and applications at equal speeds regardless of the source, and without favoring or blocking particular products or websites.

Consider the following example:

Imagine there are two grocery stores in a town. Each one has a separate road that leads to it, and each road is the only way to get to the store. A totally separate company owns all the roads in the town (not the government). Now imagine the road company says that they will only pave the roads to the grocery stores if they pay an extra fee. One of the stores agrees to pay, and gets a fast, smooth road connecting the grocery store to the town. The other cannot afford the fee (or chooses not to pay), so the road to that store is bumpy and full of potholes and dips. Which store will more likely get all of the business? Is that fair? Who has the power over where the townspeople buy their groceries?

In this example, the townspeople are normal consumers and internet users. The grocery stores are websites that internet users visit like Google, Amazon, Yahoo, or any other site. The road company is the internet service provider, like Comcast or AT&T, that connects internet users to the websites.

The central question for today will focus on issue of equal speed:

Can internet service providers have “preferred sites” that load faster than other sites OR must all internet providers give equal speeds to every internet site? For example, can internet providers choose to make Amazon streaming very fast (for an extra fee), while making a connection to Netflix streaming very slow, or should the government force them to treat all websites the same and connect at equal speeds?

Let’s examine the issues surrounding the net neutrality debate:

Discuss in pairs: What might be some of the arguments in favor of Net Neutrality regulation? (try to think of 3)

Example: Allows greater freedom of speech because users can go to any news site they choose at equal speeds. Media companies cannot buy faster speeds and thus control what news we see.

1.

2.

3.

What might be some arguments against net neutrality regulation? (try to think of 3)

Example: Free market principles that the government should not be controlling the market or that government is ineffective in most regulations

1.

2.

3.

Now that we have discussed the issues surrounding Net Neutrality, let's decide what to do in this classroom!

Role Play Activity

The US government is deciding whether to enforce strict net neutrality laws and disallow internet service providers from altering the speeds of accessing different websites OR whether to allow companies to speed up or slow down access to sites at their discretion. There will be a big public hearing to decide what to do! Each of your groups will have the opportunity to present their ideas and arguments to the government. After each group has spoken, the government will have the opportunity to pass regulations, if any, that affect net neutrality.

First, select one or two representative(s) from your group to speak on your behalf. Once you have done this, begin to discuss the debate from the perspective of your assigned group.

Each group should answer the following questions:

1. Are you for or against Net Neutrality regulation? Why?
2. Which arguments are the most persuasive for your side?
3. How can you counter the arguments on the other side?

After you have answered the questions above, your representative will have 1-2 minutes to explain your group's perspectives and lobby for what regulation (or lack of regulation) that you want. Once all groups have spoken, the government will have 2-3 minutes to discuss the arguments and pass whatever laws they choose. Note, this is not necessarily 100% or 0% regulation. The government can choose to pass a total ban on preferential speeds, certain partial regulations or restrictions, or no restriction at all.

Lesson Six: Is Net Neutrality Free Speech or Monopoly Abuse?

Follow Up Assignment

This net neutrality debate is not just a theoretical debate. It has been argued for many years, and the Federal Communications Commission (FCC) has actually made some rulings regarding the future of the internet.

Go online and research the actual decision by the FCC. Simply using Google News will show countless articles regarding the actual decision by the US Government on this issue.

Answer the Following Questions:

1. What did the FCC decide to do with net neutrality?
2. What were some of the arguments in favor of net neutrality that you found in the articles or news reports on the FCC decision?
3. What were some of the arguments against net neutrality that you found in the articles or news reports on the FCC decision?
4. How did each of the groups from the role play respond to FCC decision?
5. Do you agree or disagree with the decision by the FCC? Why?