



NET NEUTRALITY: AN ECONOMIC AND LEGAL VIEW

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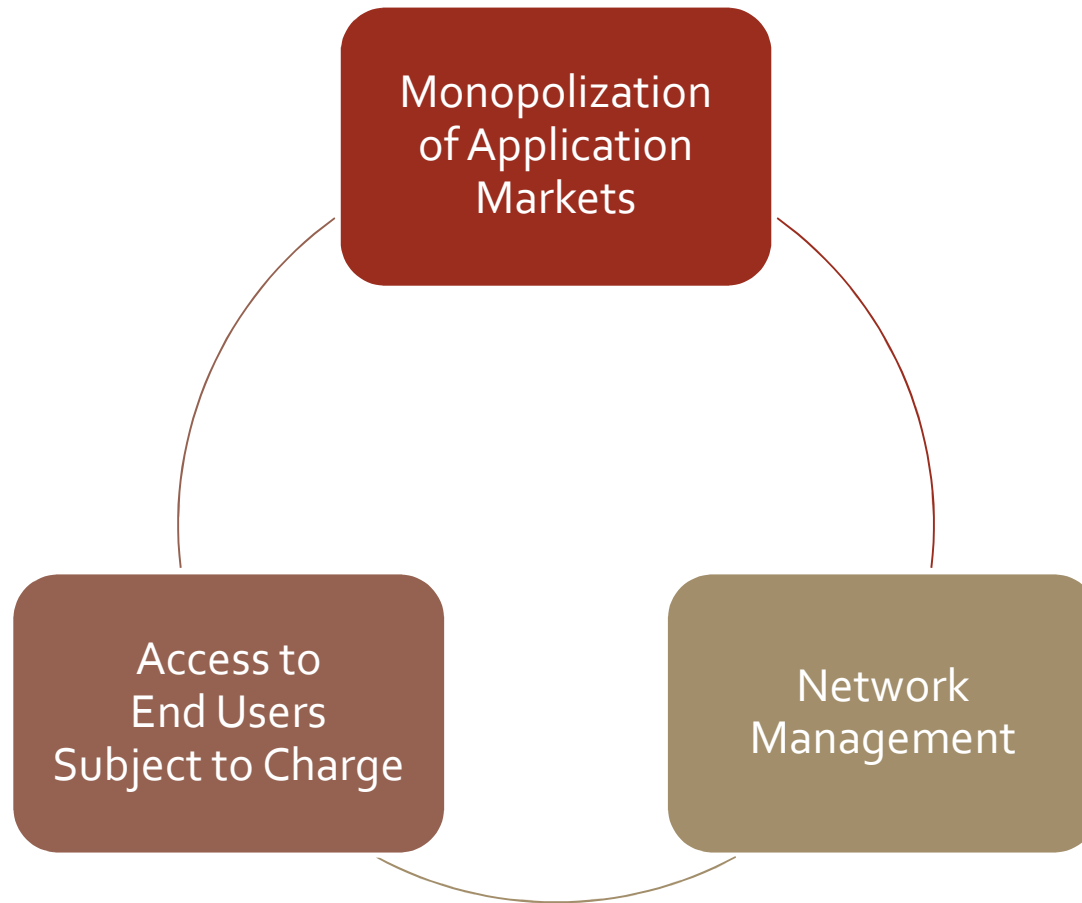
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Network Neutrality

At its simplest network neutrality means that all Internet traffic should be treated equally.

In particular, Internet service providers should remain neutral towards Internet content and applications.

Violations of Network Neutrality



Network Management

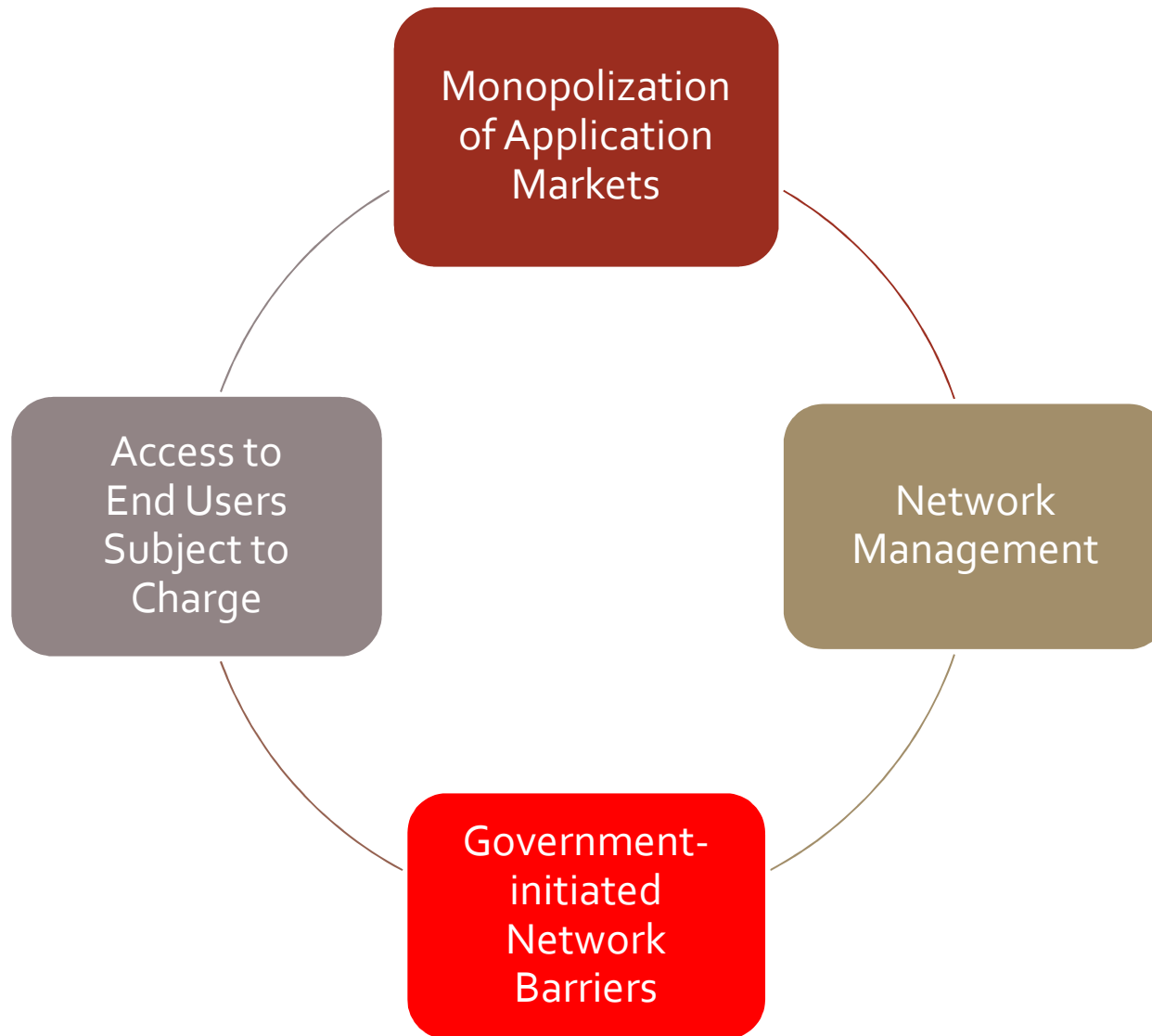
- Until recently the Internet worked in a non-discriminatory manner
- New technologies allow to prioritize or slow down particular data streams
- For instance, *Quality of Service (QoS)* technology serves to stabilize TV transmissions over the Internet (IPTV)
- Some Internet providers also slow down certain types of data (such as peer to peer downloads) to prevent congestion

Access to End User Subject to Charge

„We cannot offer everything free of charge. Those who are responsible for high traffic loads on our networks will have to pay.“ (...) „What would Google be without the networks?“

(René Obermann, CEO Deutsche Telekom, Manager-Magazin,
18 March 2010)

Network Neutrality in a Broader Sense



Is Net Neutrality Regulation Needed?

Before network neutrality regulation is adopted, three questions should be examined.

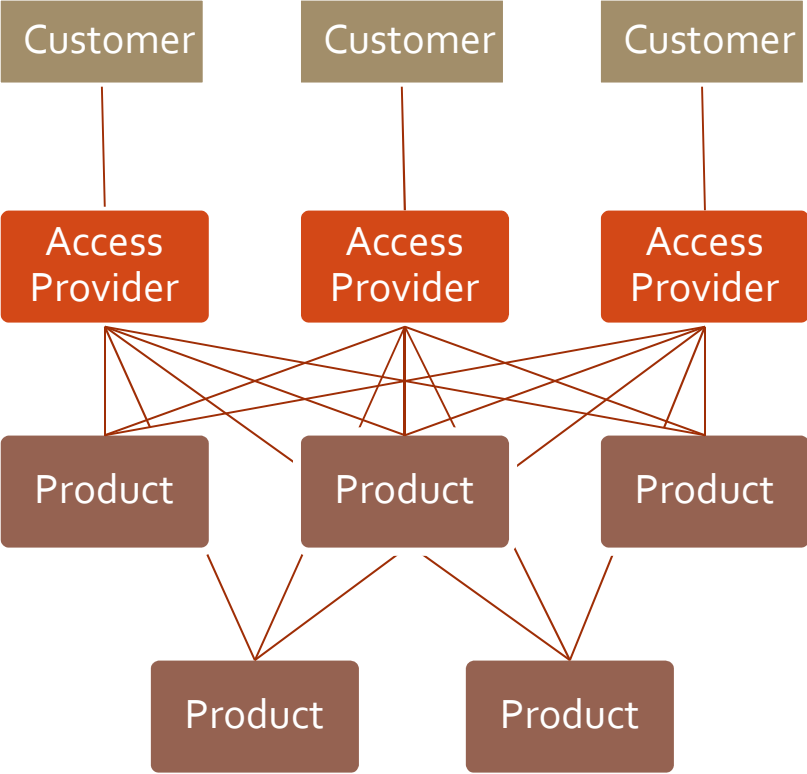
How likely are net neutrality violations?

Would violations be harmful?

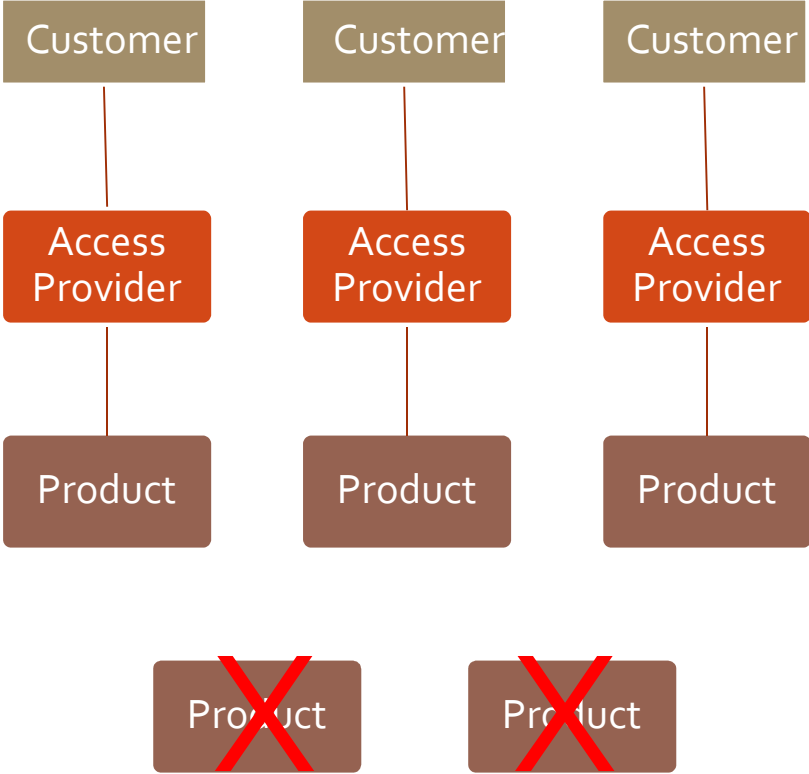
Does the law in force sufficiently protect us?

Monopolization of Application Markets

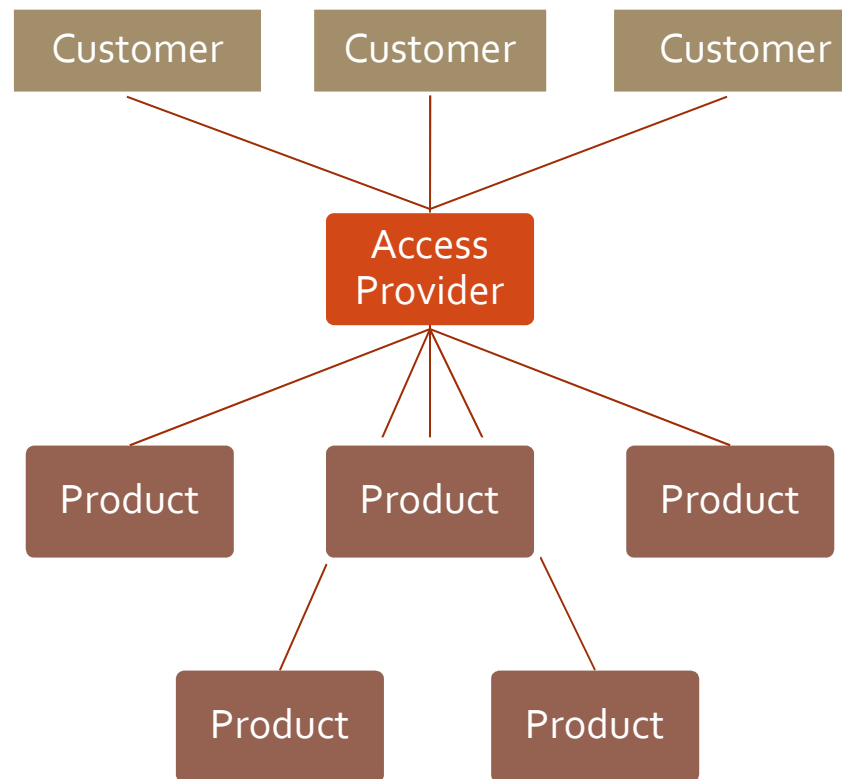
Today:



Future?



Access Providers become Gatekeepers Between Customers and Content



Network Neutrality in the EU Telecoms Package

- Network neutrality as a political objective
- Access providers will be obliged to inform about violations of network neutrality
- National regulatory authorities can adopt minimum service quality rules
- EU commission monitors further development and will implement measures if needed

Results

- At its simplest network neutrality means that all Internet traffic should be treated equally.
- Part of the problem are the monopolization of application markets, network management and charges for content providers to access end users. In addition, some people consider government-initiated network barriers as violations of network neutrality as well.
- There is reason to assume that Internet providers violate network neutrality today and might continue to do so in future.
- Some violations of network neutrality harm technical progress on the Internet.
- The new EU Telecoms Package contains information duties for Internet providers which should counteract net neutrality violations. The Commission explicitly reserves the right to intervene further in case violations persist.



NET NEUTRALITY – THE BOOK:

Simon Schlauri: Network Neutrality, Netzneutralität als neues Regulierungsprinzip des Telekommunikationsrechts, Law and Economics of International Telecommunications, Vol. 60, Nomos / Dike (July 2010)