

**Before the
Federal Communications Commission**

In the Matter of

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Open Internet Remand

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GN Docket 14-28

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**Framework for Broadband
Internet Service**

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GN Docket 10-127

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Comments of Opera Software ASA

July 10, 2014

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I. Opera is a Web Browser with 350 Million Users, 12 Million in the US

Opera Software was founded in 1995 to build and ship a better web browser. Since its inception, Opera Software has advocated *one web* accessible for all. This implies that everyone should be able to access services and content they choose themselves. Our goal is nearly identical to the FCC Internet Freedoms from 2005, in particular freedoms 1 and 2: to enable users to (a) access the lawful Internet content of their choice and (b) run applications and use services of their choice, subject to the needs of law enforcement.

The browser industry is highly competitive, and, as a result, the web has developed into a platform that companies—including U.S. companies—can use to provide services to customers globally. Consequently, users in the United States and globally get the benefit from a wide range of services and service providers.

Opera Software has been a pioneer and inventor of web technologies since the early days, and, together with other companies, we have contributed to the web that we all know today. We aspire for the web to be the major platform on which companies, governments and users rely every day. One of Opera Software's major innovations is web compression technology that enables users who face device or network constraints to access the full web. Websites accessed with an Opera web browser may be compressed by our servers before being sent to the users' devices. This service architecture has two advantages:

1. Web traffic is compressed by up to 90%, and it is possible to access modern websites on 2G networks (GPRS/EDGE) and congested 4G networks.
2. Opera Software's advances make it possible to render modern webpages on devices with limited memory and processing capabilities (for example, non-smartphones that can run Java applications).

In 2013, more than 12 million U.S. users relied on Opera Software's compression servers to access the web, and we expect an increase of U.S. users with our new consumer products for iOS and Android.

Our inventions have created and continue to create value for:

- End users, by enabling them to access the full web;
- Internet companies, because they are able to reach a larger market in the United States and globally (particularly in emerging markets); and
- Mobile operators, by compressing the traffic that passes through their networks.

Globally, Opera Software has about 350 million users. The Opera group of companies has 1250 employees, of which about 300 are located in the United States.

II. The Chairman's Proposal Would Restrict Our Operations Significantly

The premise of the open web is that any user can access any website he or she chooses, and that broadband providers cannot charge higher fees to edge providers for faster or more consistent service. These forms of openness enable new entrants to compete with the incumbents. Fundamentally, this means competition on the merits to provide services that users will choose. This has been the case in the United States and other countries.

In the hyper-competitive market for web browsers, speed is key. Consumers will switch browsers to experience the web marginally. Competition would suffer if some browser vendors have fast lane arrangements, or if the non-fast lanes do not provide sufficient capacity. Under the Chairman's proposal, in order to have a viable web compression service, we would *have* to secure agreements for a fast lane.

However, our hard and ongoing work to serve users with low-end devices and/or poor network conditions would be impossible were we forced to pay ISPs for a fast lane to enable users to access our compression servers. We would have to make agreements with a large number of network operators. Such agreements, regardless the amount of payment involved,

would require us to move resources from serving our users with better products and services, to acquiring basic market access. The risk of making agreements of fast lanes will put an unwarranted burden in this critical phase and curtail innovation that benefits all consumers. We find it hard to see how we could have got market traction and served *any* users in the United States if we had to pay for fast lanes when we launched our products there.

We would be somewhat less concerned if there were healthier competition among U.S. broadband providers. In such a situation, end users could choose the network provider that gives them access to the entire Internet and not only selected services with sufficient speed. In less competitive markets, however, customers cannot necessarily switch to another network provider. In these cases, Internet freedom principles are crucial to ensure both consumer welfare and innovation.

Our worst-case scenario is that other countries copy FCC's proposal. The United States is not only influential with new technological innovations, but also Internet policy. Opera Software would never be able to provide web companies, including U.S. companies, with access to 350M end users if we had to negotiate Internet fast lane agreements with all network operators globally. If other countries follow the logic of the FCC proposal, we and other Internet companies would have to prioritize countries and regions.

The proposal envisions a basic level of service and a fee-based discriminatory tier of priority or preferred service. This is a fundamental departure from the open architecture of the Internet that has enabled network operators to sell Internet access to subscribers. Our concerns are not addressed by the proposed "commercial reasonableness" standard under Section 706 of the Telecommunications Act. This standard does not provide sufficient assurance that we do not need to enter into agreements with all network operators. Internet companies and their users alike pay network operators for bandwidth, and we are used to managing bandwidth and server costs. Our main concern is the principle that Internet companies must enter into agreements with network operators to ensure that users get sufficiently good access to the

services they want to use. This puts an undue bureaucratic burden on all Internet companies and distracts from innovation and value creation that has fueled growth and progress over the last two decades.

We urge the FCC to classify broadband providers under Title II of the Communications Act, and to prohibit technical discrimination and paid prioritization with *per se* rules which apply to fixed and mobile connections.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Håkon Wium Lie', with a stylized, cursive script.

Håkon Wium Lie
CTO, Opera Software