

# D STAR Business

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## 'Net neutrality' supporters say telecoms getting greedy

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In recent weeks, the concept of "net neutrality" has been debated in the media, blogosphere and halls of Congress.

Simply put, net neutrality is the notion that all content on the Internet should be treated equally, with no preferential service afforded one packet of data over another.

It is how the Internet has always functioned — digital bits that comprise Google's Web site are treated the same as those of a personal blog.

Internet service providers argue it is time for change.

The issue has been debated for several years, but it has reached a fever pitch in recent months.

The House of Representatives rejected a proposed net neutrality amendment to a telecommunications bill earlier this month.

The controversy focuses on allowing telecommunication companies and Internet providers such as AT&T and Bell South to charge Web sites and Web users additional fees for access to a "preferred service" tier, an Internet "fast lane" offering faster speed.

Theoretically, a site such as Yahoo could pay more money to have its search

engine run faster than Google's, while consumers could purchase premium service to allow rapid delivery of content.

Supporters of net neutrality hail from diverse sectors, including Moveon.org, Christian Coalition of America and Gun Owners of America, as well as content providers like Microsoft, Google and eBay.

They fear that a two-tiered system will put consumers with shallow pockets on a dirt road of sorts, rather than on the information superhighway. Small businesses also could get stuck in the slow lane.

Industry officials counter that there

already is a tiered system with consumers making their own choices about service, including slow dial-up and fast broadband.

They further argue that some Web sites with multiple offerings such as music or video downloads have a longer "load time," which might slow down the Internet for all sites.

Bob Whitmore, co-founder and CEO of Oxnard-based NPOWR Digital Media Inc., believes if telecom companies begin charging content providers extra fees for preferred service, his business

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# Issue a hot topic on Net and in halls of Congress

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business would be jeopardized.

"This is not a small issue, it's a major issue," he said.

NPOWR's newest venture, an online media-streaming service called stimTV, is dependent upon customers having access to a broadband connection. StimTV viewers can watch a continuous stream of content such as advertisements and music videos. When they see something that interests them they click the content, which offers them the option of purchasing the pertinent product from various online retailers.

"We're a facilitating entity that puts buyers together with sellers," Whitmore said. "Our advertising is something that's targeted to the interest of a viewer."

It's a rapidly growing market. According to the Online Reporter, the average consumer spent more than \$100 on online content last year, resulting in a \$2 billion market and a 15 percent growth from 2004. The Pew Internet and American Life Project reported that 81 percent of broadband users purchase products online.

Whitmore sees not only the future of small business at stake, but the fate of the Internet itself.

"One of the things about the net is that it is one of the few fertile grounds for the emergence of smaller initiatives that can grow big," he said. "It's a level playing field. (Telecommunication companies) understood the rules of the game going in, they knew what the Internet was. Now they're whining to Congress, trying to change the rules. That's not the way free enterprise works."

Internet service providers say it is their right to charge for preferred service as a means to pay for upgrading Internet pipelines. Companies anticipate a "bandwidth crunch" as high definition video and TV services become commonplace.

Whitmore takes issue with that argument.

"They are asking us to participate in building their infrastructure," he said. "Right now we're

building our own infrastructure. We're creating the business opportunities and content that keep (telecoms) in business, and we're doing that with the help of our investors in our own business model.

"They have their own business model, and there is no reason why they should expect us to pay for their infrastructure. They already build that infrastructure, and not a huge percentage of it is even being utilized now."

The unused infrastructure Whitmore refers to is the so-called "dark fiber," fiber optic lines that have been installed to deliver the Internet but are not currently being used.

He is also concerned that the Telecom companies have not stated how much the overhaul will cost.

"We don't know what they're going to charge," he said. "They're making some vague statement that they're only going to use all the money to build their infrastructure. Well, that's fine. Do we get a percentage of that infrastructure since we helped them to pay for it?"

Whitmore said he believes that consumers will suffer without the protection afforded by net neutrality.

"The theory is that the big companies that are established will be able to afford these charges and get full utilization of the pipes, and that smaller emerging companies won't be able to," he said.

Some congressmen have voiced their support for net neutrality. Rep. Edward Markey, D-Mass., drafted the neutrality amendment that the House voted down. During the debate, he criticized the actions of the cable and phone companies.

"The Bell companies had nothing to do with the creation of the Internet," Markey said, "but now, at this late date, they want to come in and to create these bottleneck control points that allow them to extract Internet taxes, Internet fees from companies and individuals who have been using the Internet for a generation."