

Net Neutrality: Network and content regulation

Anacom conference

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Philippe Defraigne – Cullen International

Net Neutrality – why?

“Net Neutrality, a solution in search of a problem!”

Anonymous

Net Neutrality, restrictions and competition



Net Neutrality, restrictions and competition



Net Neutrality, restrictions and competition



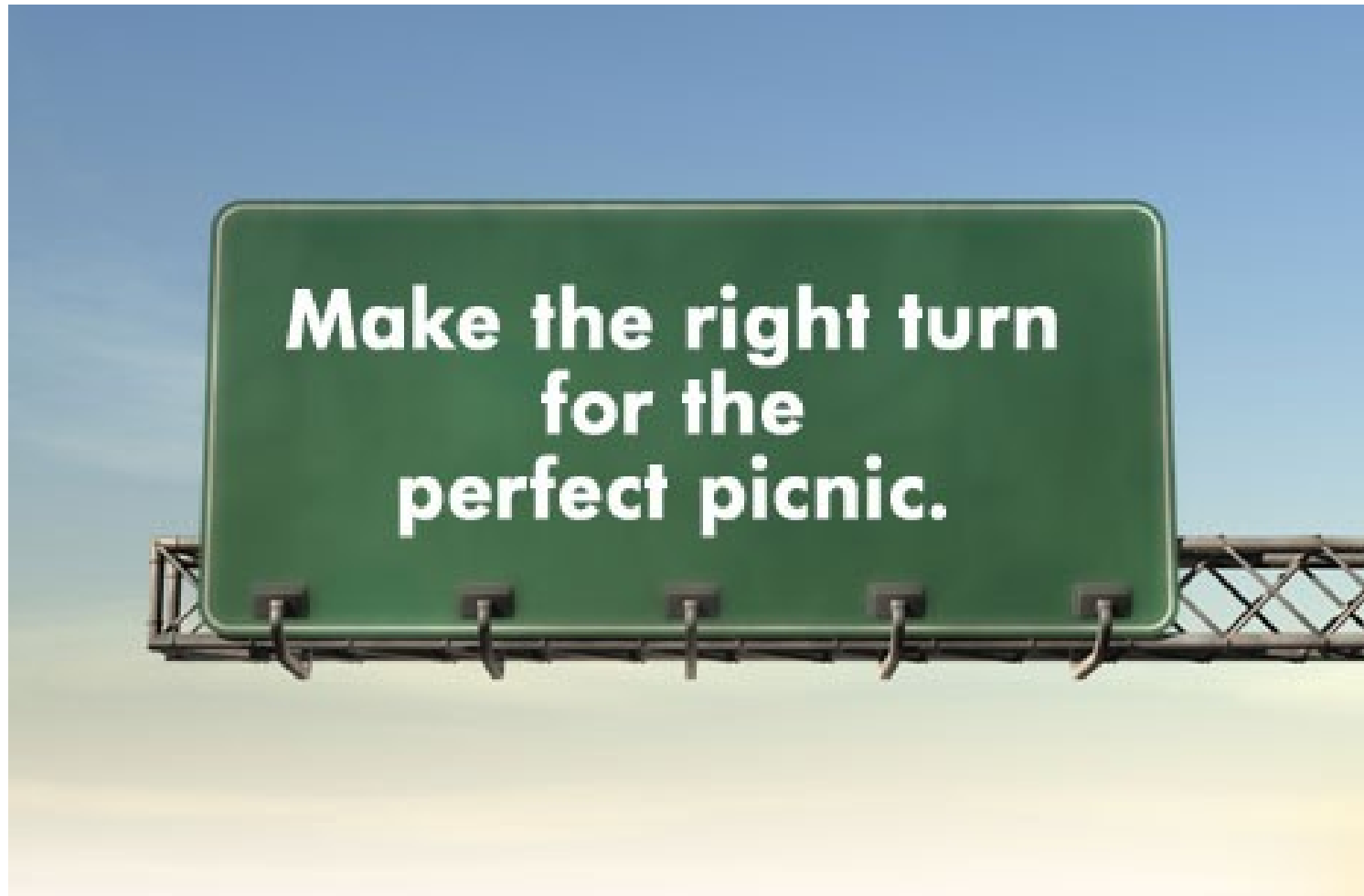
Net Neutrality, restrictions and competition



Net Neutrality, restrictions and competition



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Net Neutrality, restrictions and competition



Net Neutrality, restrictions and competition

- What is the moral of this story?
- Where some see a case for restrictions, others see a market failure and opportunity to do business



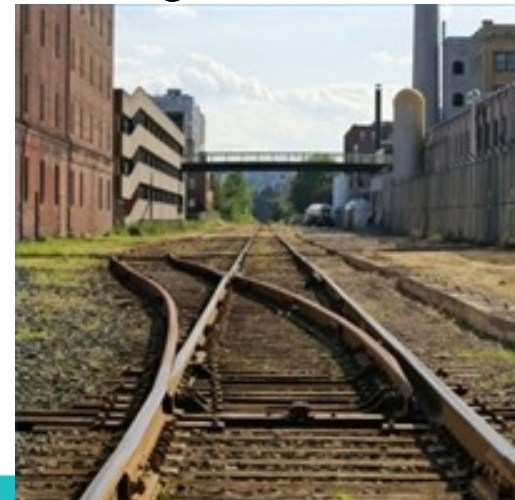
- Competition and transparency can take you a long way
 - Transparency reinforced by amended USD - Art 21.3

Traffic Management – why?

- Two possible reasons:
 - Need for ISPs to cope with growth of traffic while maintaining the best possible QoS for consumers

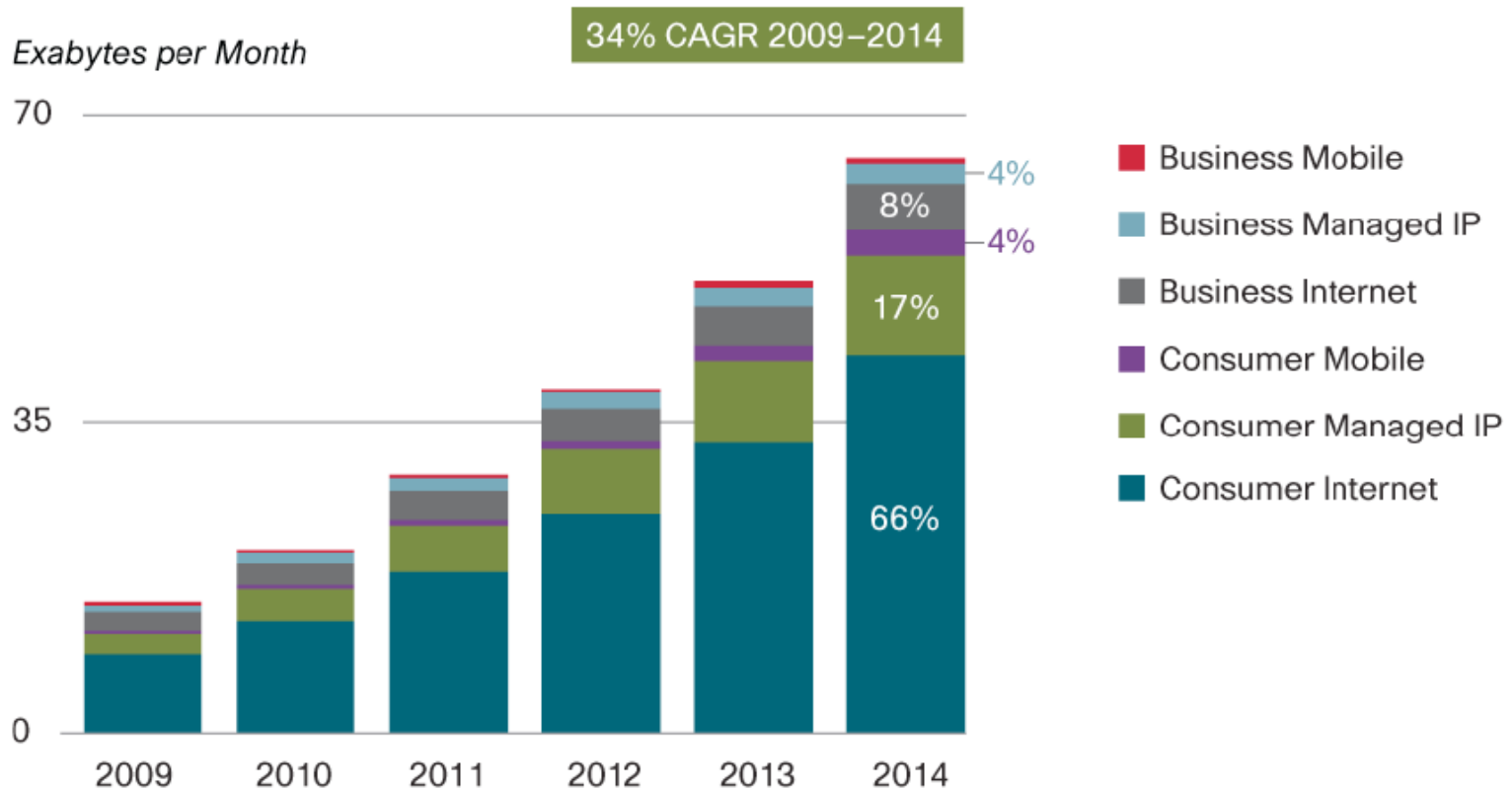


- For vertically integrated ISPs, discrimination against a competitor in a downstream market
 - Discrimination & absence of dominance



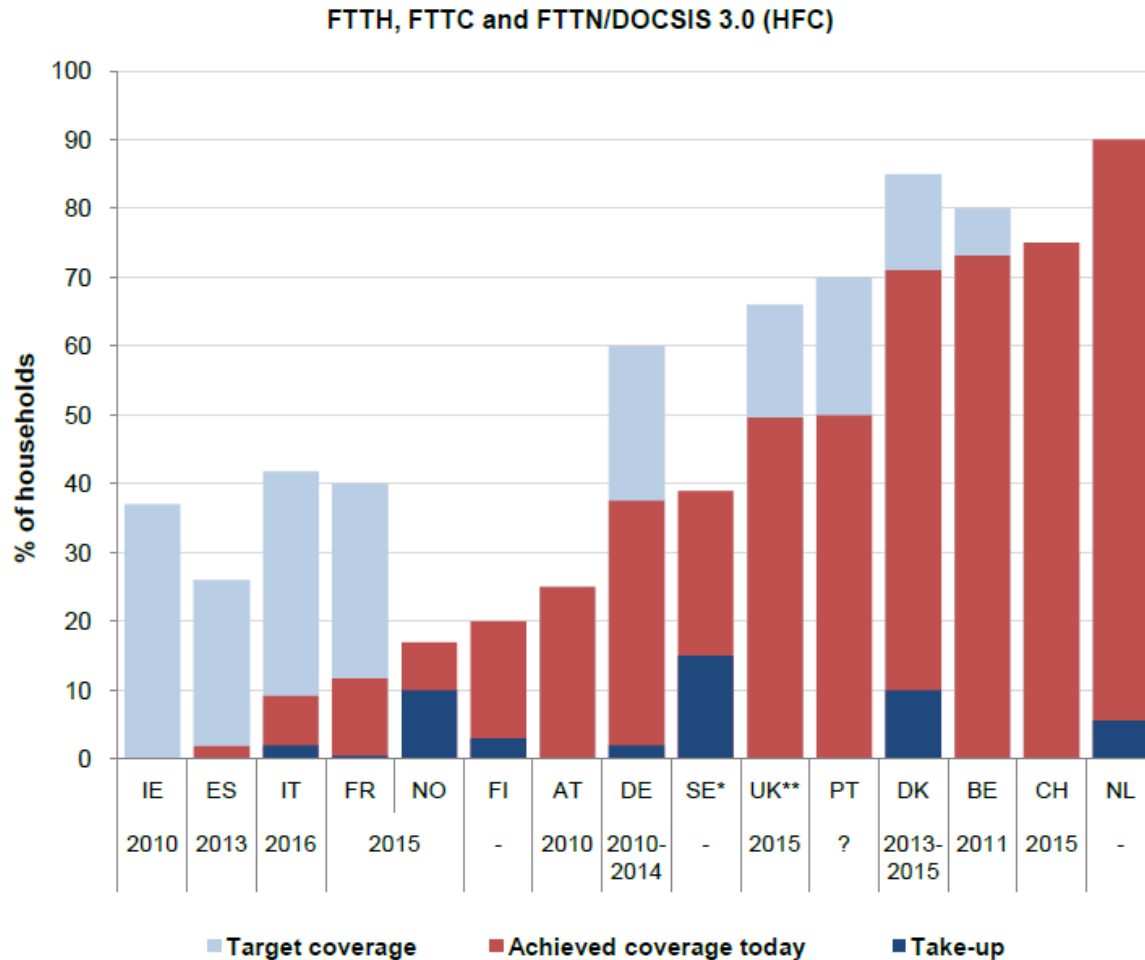
Growth of Internet traffic

Figure 1. Cisco VNI Forecasts 64 Exabytes per Month of IP Traffic in 2014



Source: Cisco VNI, 2010

Target and actual NGA roll out

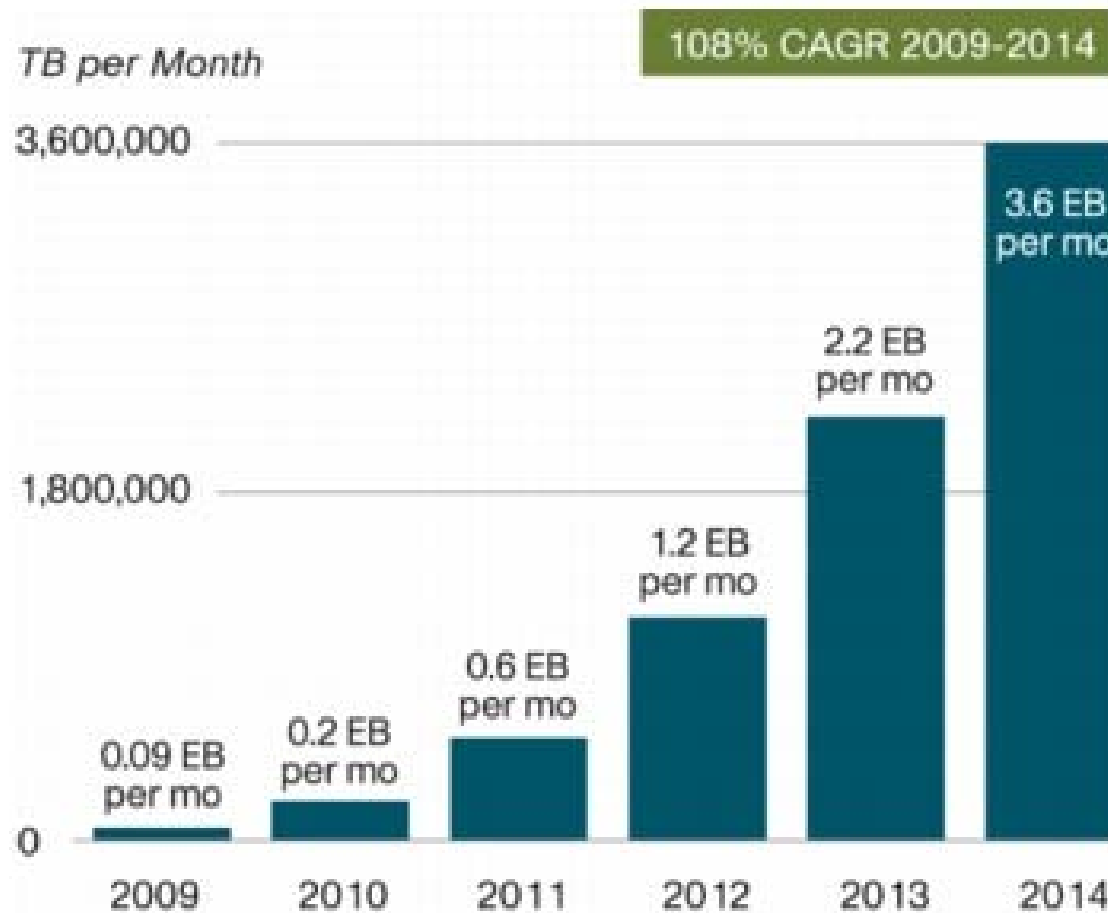


**UK: Separate FTTH and FTTC figures for BT's NGA plans by 2015 are not available.

*SE: Figures on FTTC (VDSL) and DOCSIS 3.0 deployments are not available.

Growth of Internet traffic over mobile

Figure 1. Cisco Forecasts 3.6 Exabytes per Month of Mobile Data Traffic by 2014



Traffic Management - transparency

Greater transparency towards

National NRAs



End-users



Plusnet UK ('Value' option)

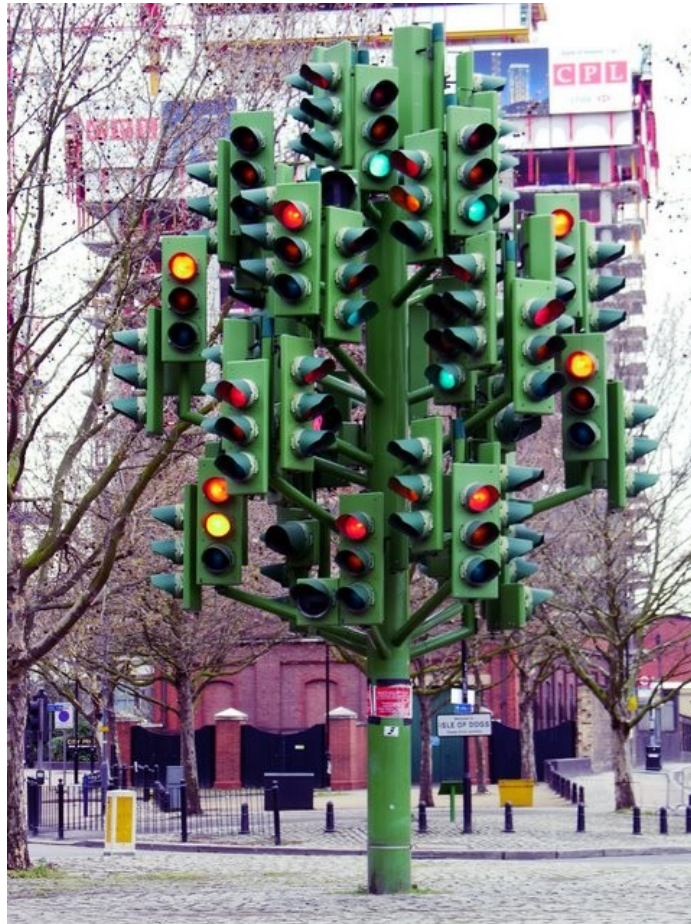


Ideal for web surfing and email. It's not suitable for frequent gaming, binary USENET, Peer-to-Peer, VPN, FTP or lots of music and video downloads.

Kbps	P2P	FTP	VPN	Gaming	YouTube	Download	Streaming	Other
12am-12pm	256	256	512	2Mbps	-	-	-	-
12pm-2pm	164	256	512	2Mbps	-	1Mbps	-	-
2pm-4pm	128	256	512	2Mbps	-	1Mbps	-	-
4pm-6pm	100	256	512	2Mbps	-	512	-	-
6pm-7pm	50	128	512	2Mbps	2.5Mbps	256	-	192
7pm-8pm	50	128	512	2Mbps	2.5Mbps	256	-	192
8pm-10pm	50	128	512	2Mbps	2.5Mbps	256	-	192
10pm-11pm	100	256	512	2Mbps	-	256	-	-
11pm-12am	128	256	512	2Mbps	-	512	-	-

Traffic Management - transparency

- Not all operators share the same enthusiasm for transparency



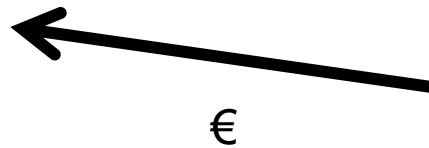
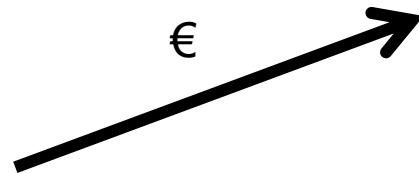
Two-sided markets

- Are content providers such as Google and YouTube... free riders?

Two-sided markets

Cable TV operators and broadcasters: net financial flows
Typical scenarios (rule of thumb only)

The honest broker

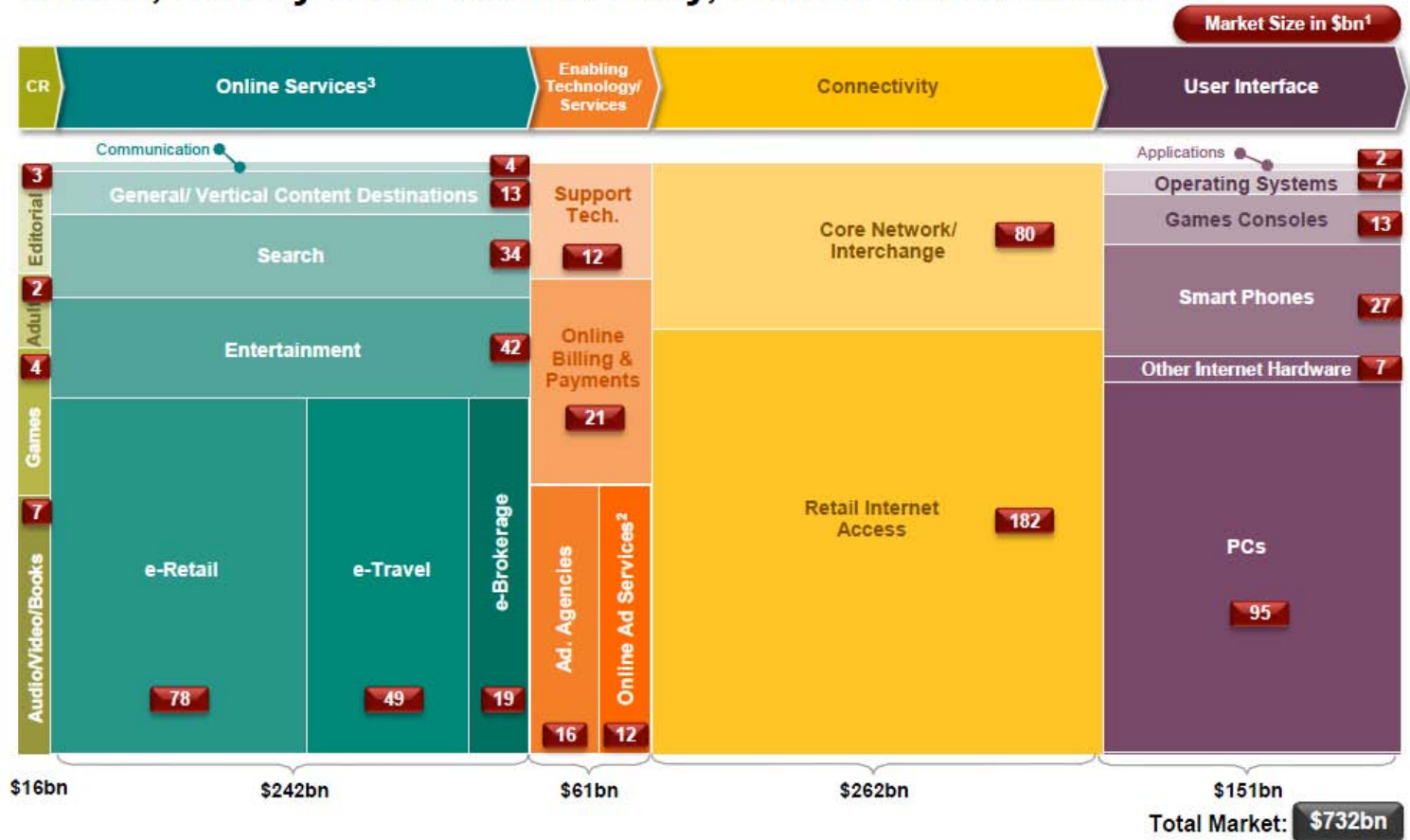


Home Shopping channel

Let's be realistic about how much free riders can contribute

ATKEARNEY

The Consumer Internet market generates revenues of US\$ 732 billion, mainly from Connectivity, Online Services and UI



Net Neutrality and minimum QoS



- What industry and regulators should seek to avoid!

In order to prevent the degradation of service and the hindering or slowing down of traffic over networks, Member States shall ensure that national regulatory authorities are able to set minimum quality of service requirements on an undertaking or undertakings providing public communications networks (Art 23.3 - USD)





Thank you!

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