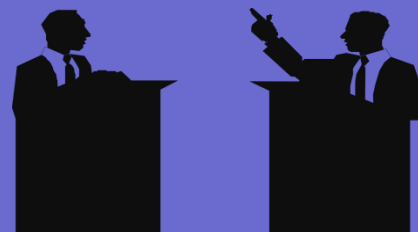
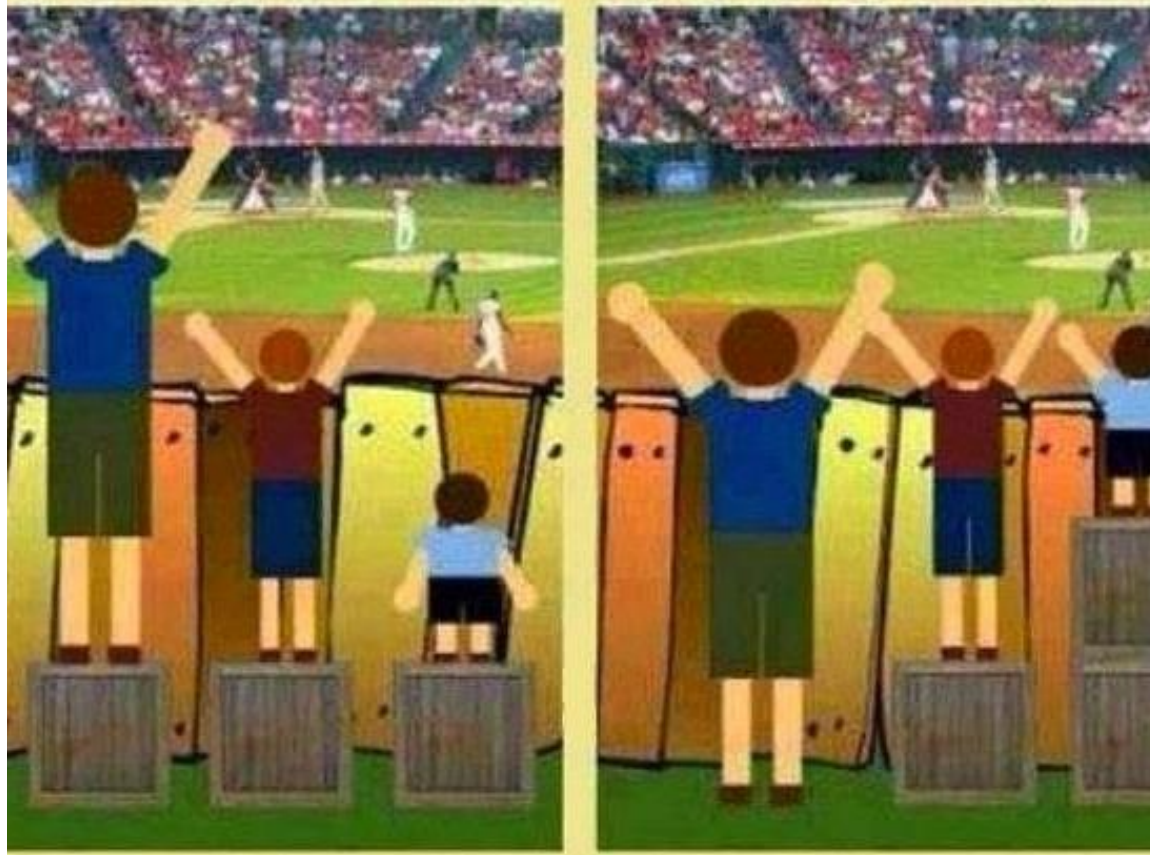




Net Neutrality in a Digital Economy

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**Do all consumers want
equality all the time?**

Outline

- Definition
- How ISPs Discriminate
- Jamaican Example
- The Issue
- Arguments For and Against
- Anti-trust's View
- Conclusion



Definition

- Net Neutrality (NN)
 - The obligation of ISPs providers to
 - Treat all content on their network equally
 - Not discriminate among content providers





How ISPs Discriminate

- **Blocking**
 - Occurs when ISPs discard data traffic from a particular source
 - ISPs are able to block a content provider while supporting a competitor
 - Jamaica e.g.
 - ISPs allegedly blocked VoIP (Viper) which rivaled own voice services



How ISPs Discriminate

- **Throttling**
 - Occurs when ISPs intentionally slow data transmission base on source or type of data
 - ISPs are able to slow content from certain content providers relative to rivals
 - E.g.
 - Netflix claimed in 2014 that Comcast was slowing its video streaming/customers experience buffering



How ISPs Discriminate

- **Paid Prioritization**
 - content owner pays ISPs to prioritize its content when network is congested
 - ISPs prioritize its own content
 - *E.g.*
 - In 2014, Netflix had paid prioritization with Comcast



Jamaican Example

- ISPs provides services to online advertising agency
- ISPs owns online newspaper
- ISPs blocks ads on its newspaper platform generated from online advertisers
- Market for online advertising affected





The Issue

- Should the outcome of the market for Internet services be dictated by:
 - Net neutrality regulations?
 - Market forces?
- Should online discrimination be a per se violation?



Arguments

For

- ISPs favour
 - their own content
 - content owners who pay for “fast lanes”
- Consumers’ choice adversely affected
- Net neutrality protects free speech & democratic participation

Against

- No evidence of ISPs excluding rival content
- Antitrust protects the competitive process
- Antitrust protects non-economic goals to the extent that they are valued by consumers



Antitrust's View

- Discrimination
 - Anti-competitive
 - Benign
 - Pro-competitive
- Consumer demand drives market forces
 - Market forces
 - Punish ISPs that throttle/exclude desired content
 - Reward ISPs that prioritise desired content



Antitrust's View

- Net neutrality
 - Condemns without analyzing facts
 - Block ISPs conducts that are benign/pro-competitive
 - Inefficient allocation of scarce resources



Conclusion

- Consumers' reaction to ISPs strategies
 - underestimated
- Antitrust involvement
 - forbid ISPs to foreclose rival content
- The market + competition agency
 - best outcome



Equality \neq Consumers preference