



**Your on the
Street Reporter**



Uyless Black

**Epilogue III:
Epilogue III: Continued Misunderstanding
of a Critical Issue**

Digital Societies and the Internet **Epilogue III: Continued Misunderstanding of a Critical Issue**

This series is written as a follow up to subjects discussed in the book, *Digital Societies and the Internet: What the Present is Bringing to the Future*, available online at Amazon.com and B&N.com

For Epilogue II, see the following material in the book for background information:

Chapter 2: Origins of the “Cloud”

Chapter 18: The Bandwidth Battle

Chapter 21: FCC Regulations on Net Neutrality

Some excerpts from the book: “Netflix is an Internet vendor as it rents movies to end-users. Yet, Netflix is also an end-user of other Internet vendors’ services. As an example, Netflix must rely on, say, AT&T local lines in neighborhoods to send its movies to its end-user customers, the people who watch the movies. Thus, Netflix is an Internet vendor for some of its operations (renting movies to its customers), and at the same time, an end-user to others (renting communications lines from, say, AT&).”

“To illustrate its importance as an Internet vendor (of movies) to its end-users, Netflix is rightfully concerned about the quality of service it receives from the companies (other Internet vendors) who supply and control the communications lines over which Netflix sends its movies. Netflix’s existence is dependent on links owned by telephone, cable TV, and wireless companies.

While watching a movie from Netflix, you may have noticed an irritating pause in the playback of the movie. One reason is that the communications links (and perhaps the computers attached to these links) may not be of sufficient capacity to handle the movie. Alternately, the owner of the communications link may have reasons to slow down Netflix’s sessions, such as owning its own video streaming company. In essence, it is a Netflix competitor. Netflix cannot do much about this situation, because it sells movies but does not own the communications lines. This quality of service (or lack of it) has become a major issue in the debates about the future of the Internet.”

March 31, 2017

As stated in Episode II, Congress voted to repeal an FCC ruling that protects the privacy of user information from Internet Service Providers’ (ISPs) inspections. (Specifically, the broadband carriers.) It will allow broadband Internet companies, such as Comcast, Verizon, AT&T, and Spectrum, to store, share, and sell consumers’ browsing habits and Website usages.

Thus, in a sense, it levels the playing field between what are becoming increasing competitors. For example, many companies, including carriers, want to get into the video streaming business.

Therein lies the problem that I have been writing about for several years. This arrangement has inherent conflicts of interests.

Klint Finley (Wired.com) illustrates the wide-spread ignorance about the subject. He states if the Silicon Valley giants (such as Facebook and Netflix) can turn data into profit, “the logic goes, why can’t the cable companies [and other companies who own the media]?”

Stephan Carter of Bloomberg.com states why is it so disturbing that Verizon and At&T suddenly want to act like Google and Facebook. “We traded away our privacy long ago.”¹

The issue of this article does not deal with privacy. It deals with the simple fact that Verizon and AT&T own the media that Google, Facebook, Netflix and other content providers depend on for their livelihood. Nothing prevents Verizon and AT&T from developing competitive apps to those of, say, Netflix, and degrading Netflix’s services to their own advantage.

That was one of the purposes of the 2016 FCC Net Neutrality rules: to prevent this from happening

This aspect of Net Neutrality will likely be cast aside by Trump, and the consumer will suffer. Thanks again, Donald, for your ignorance of this issue and for you and your staff succumbing to the broadband carrier industry.

Fearful of this eventuality, Google is building-out its own physical channels in several large cities in America.

¹ News, April14, 2017, 18.