Y490 Politics of the Internet

December 3, 2009
Critical Political Economy

“Traditionally, this type of analysis focuses on how economic inequalities based upon ownership and control serve to narrow the range of media content available in market-based societies.”

Source: Chadwick, p. 290.
Three Schools of Thought

- **Strong political economy approach**
  - Media should be seen as directly servicing a wider system of material production (consumer capitalism)

- **Weak political economy approach**
  - Greater role for individual leadership in the media industries (e.g. Bagdikian)

- **Instrumental approach**
  - How owners and political elites use the media as instruments of ideological
Top Global Web Sites (2009)

- Google
- Facebook
- Yahoo!
- YouTube
- Windows Live
- Wikipedia
- Blogger.com
- Baidu.com
- Microsoft Network (MSN)
Top 10 ISPs

- **SBC (AT&T)** (business and consumer DSL, U-Verse, and satellite—ISDN not disclosed) 14.8
  - [October 22, 2008]
  - [Press Release [.xls]]
  - 15.4%

- **Comcast** (cable broadband) 14.7
  - [October 29, 2008]
  - [SEC 10-Q]
  - 15.3%

- **Road Runner** (cable broadband, both business and residential) 8.6
  - [November 5, 2008]
  - [Trending Schedules]
  - 9.0%

- **Verizon** (FiOS and DSL) 8.5
  - [October 27, 2008]
  - [Press Release [.xls]]
  - 8.8%
  - 5

- **America Online** (all U.S. AOL brand accounts) 7.5
  - [November 5, 2008]
  - [Trending Schedules]
  - 7.7%

- **EarthLink** (DSL, dialup, cable, satellite, PLC, and webhosting—some other business lines not included) 3.0
  - [October 31, 2008]
  - [SEC 10-Q]
  - 3.1%
  - 7

- **Charter** (cable broadband) 2.9
  - [November 6, 2008]
  - [SEC 10-Q]
  - 3.0%
  - 8

- **Qwest** (DSL only) 2.8
  - [October 29, 2008]
  - [Press Release [.xls]]
  - 2.9%
  - 9

- **Cablevision** (cable broadband) 2.4
  - [November 6, 2008]
  - [SEC 10-Q 2.5%]
  - 10

- **United Online** (counting paid access only) 1.5
  - [November 10, 2008]
  - [SEC 10-Q]
  - 1.5%
Decline of Newspapers?

- Last year was the worst on record for the U.S. newspaper industry. Total advertising revenues (both print and online) declined 16.6 percent to $37.85 billion, according to the latest figures from the Newspaper Association of America. That is $7.5 billion less than in 2007. Print advertising alone declined 17.7 percent. Classifieds were down 29.7 percent. And even online advertising was...
Decline in Readership

- Online readership is growing but overall readership is down according to the Pew Research Center.
Closing of Newspapers

- At least 120 newspapers in the U.S. have shut down since January 2008, according to Paper Cuts, a Web site tracking the newspaper industry. More than 21,000 jobs at 67 newspapers have vaporized in that time, according to the site.

Michael Powell’s Internet Freedoms

- freedom to access content
- freedom to use applications
- freedom to attach personal devices
- freedom to obtain service plan information
Video Franchise Act of 2006

- Introduced and Sponsored by Joe Barton (R-Texas) and Fred Upton (R-Michigan) in the House
- Introduced and Sponsored by Ted Stevens (R-Alaska) in the Senate
- Would permit telephone companies to establish national cable TV services without seeking permission from state and local governments
Ed Whitacre Interview in *Business Week*

- How concerned are you about Internet upstarts like Google, MSN, Vonage, and others?

How do you think they’re going to get to customers? Through a broadband pipe. Cable companies have them. We have them. Now what they would like to do is use my pipes free, but I ain’t going to let them do that because we have spent this capital and we have to have a return on it. So there’s going to have to be some mechanism for these people who use these pipes to pay for the portion they’re using. Why should they be allowed to use my pipes?

The Internet can’t be free in that sense, because we and the cable companies have made an investment and for a Google or Yahoo! or Vonage or anybody to expect to use these pipes [for] free is nuts!
What is Net Neutrality?
The Proponents View

- http://www.youtube.com/watch?v=l9jHOn0EW8U
- http://www.youtube.com/watch?v=cWt0XUocViE&feature=related
- http://www.youtube.com/watch?v=cZSKsSTX-i8&feature=related
- http://www.youtube.com/watch?v=45lzoer2Yd1w&feature=related
Arguments of Proponents

- End-to-end architecture of the Internet must be preserved
- This means preventing discrimination by conduit companies against content and services that they don’t control
- Conduit companies will reserve lots of bandwidth for services like cable TV which will degrade Internet performance for everyone else

Vint Cerf
More Arguments of Proponents

- There is insufficient competition between cable operators and telcos to guarantee non-discrimination
- There is a potential for violations of freedom of speech in the absence of net neutrality guarantees

Gigi Sohn  Larry Lessig  Tim Berners-Lee
Organizations that Supported Net Neutrality

- ACLU
- ALA
- Christian Coalition
- Gun Owners of America
- Consumers Union
- Google, Amazon, Yahoo
- American Electronics Association
The Opponents’ Perspective on Net Neutrality

- [Video 1](http://www.youtube.com/watch?v=oPIYxtjLFel&feature=related)
- [Website 1](http://www.netneutralityscareticker.com/)
- [Video 2](http://www.youtube.com/watch?v=SFurcOLYAjk)

David Farber
Arguments of Opponents

- Need to have “intelligent networks” to obtain “quality of service”
- Net neutrality guarantees constitute unnecessary regulation
- The threat of discrimination is overblown
- Cable and telephone companies need new revenues to build out the network
- Competition is sufficient to prevent abuses
<table>
<thead>
<tr>
<th>Category</th>
<th>Specific Firms and Organization</th>
<th>Amount in $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone Interests</td>
<td>AT&amp;T, Verizon, BellSouth, and USTA</td>
<td>30.3</td>
</tr>
<tr>
<td>Cable Interests</td>
<td>Comcast, Time Warner, Cox, and NCTA</td>
<td>12.2</td>
</tr>
<tr>
<td>Internet Interests</td>
<td>Google, Yahoo!, eBay, Microsoft, Amazon.com</td>
<td>8.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>51.3</strong></td>
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</tbody>
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Opponents Initially Carry the Day

- Sen. Ron Wyden’s (D-Oregon) non-discrimination bill could not get out of committee (March 2006)
- Sen. Olympia Snowe’s (R-Maine) net neutrality amendment was defeated in committee (June 2006)
And again, the Internet is not something you just dump something on. It's not a big truck. It's a series of tubes. And if you don't understand those tubes can be filled and if they are filled, when you put your message in, it gets in line and it's going to be delayed by anyone that puts into that tube enormous amounts of material, enormous amounts of material.

June 28, 2006
People React to Stevens’ Gaff

Posts by day about "("series of tubes")" in the last 30 days
Wyden Saves the Day

- Ron Wyden used his Senatorial privilege to place a hold on the Video Franchise bill because of the lack of net neutrality guarantees. Since Ted Stevens did not have the 60 votes needed to override Wyden’s hold, the bill was not put up for a vote on the Senate floor.
Conclusions

- Net neutrality was framed by Republicans as a regulation issue and therefore opposed by them.
- Republicans and their supporters carried the day until June 2006 when the tide turned against them.
- The November 2006 election meant that the Democrats and their allies would probably succeed in obtaining legislation guaranteeing net neutrality.