

# Online neutrality to shape Internet's future

## Debate concerns Singaporeans as most Web content comes from US

IMAGINE if SingTel's Internet subscribers discover they can no longer gain access to the popular online auction site eBay.com.

The reason? An exclusive deal between StarHub and eBay that prevents other Internet service providers (ISPs) from giving their customers access to the site.

This scary, though strictly hypothetical, scenario was raised by Associate Professor of Economics Julian Wright at a forum about "Net neutrality", held at the National University of Singapore (NUS) last Tuesday.

Net neutrality refers to the principle that all information online should be equal, and Internet users should be in control of the content they view and applications they use.

Dr Wright, a specialist in network economics and competition policy, spoke about the threats facing the Internet.

Possible examples of Net

neutrality violations raised by him include: ISPs that charge content providers for access to subscribers; and content providers who pay ISPs to speed up their sites or even block the sites of competitors.

In recent months, Net neutrality has become a major issue among policymakers in the United States, as a result of actual violations by companies such as Comcast, a major ISP in the US.

Comcast sought to block user access to file sharing network BitTorrent by creating fake online responses to discourage people from consuming excessive bandwidth on the site.

As most content accessed in Singapore comes from the US, Dr Wright said: "Singaporeans are likely to be affected by what happens to Net neutrality in the US, so I think it is important to follow the debate."

The threat of regulation in the US is the only barrier to ISPs looking to cash in on the fact that they control the content that gets to users' computer screens, he said.

When asked to comment on the possibility of charging content providers for access to users, StarHub said it believed in the importance of Net neutrality.

SingTel would only say

that it "does not have a practice of releasing any customer information to content providers to protect customer confidentiality".

Most content providers, most notably Google, are currently strong supporters of Net neutrality. Google's website states that the company is concerned about how potential restrictions on Net neutrality will "alter the openness of the Internet".

However, Dr Wright believes that large companies like Google will find themselves with significant bargaining power if legislators decide to legalise exclusive deals between content providers and ISPs.

"Cable TV in Singapore is a good example of what can go wrong when one allows exclusive deals, in that it moves the bargaining power to the content providers. For example, the English Premier League, which can play one pay-TV operator off the other to extract more money. The end-result is consumers in Singapore are paying more," he said.

The Net neutrality forum was organised by the Singapore Centre for Applied and Policy Economics, which is a part of the Department of Economics at NUS.



**EFFECT:** The end-result for exclusive cable TV deals is that consumers ultimately pay more, says Dr Wright.