

## **Net Neutrality – An Explanation for the Rest of Us**

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### **Net Neutrality – what is it?**

Simply stated, Net Neutrality is a set of rules adopted by the FCC in 2015 requiring internet service providers (ISP's) treat all users equally. This set of rules was repealed last week. ISP's are the companies that create and maintain the system of wires, cables, routers, wireless routers, and antenna's that allow the content of the internet to flow freely from computer to computer or phone to phone. ISP's are companies like Comcast, Verizon, and AT&T. The speed in which content flows is measured by a term called "bandwidth." The more bandwidth one has, the faster the content flows. The content that travels the internet is composed of movies, pictures, chats, websites, social media programs, etc. The ISP's are the companies that provide the "on ramp" to the internet and thus it's content. Net Neutrality targets ISP's to ensure they treat all content equally – regardless of bandwidth usage or content.

Part of the problem with Net Neutrality is very few people understand what it is, what it regulates, why it is or is not important, and why many think its repeal is the death of the internet. Geeks and Gurus have emerged from their dark rooms, shed their pizza pockets and Mountain Dew to weigh in with their concerns and remind us simple folk how stupid and uninformed we are. With that in mind, this white paper is written for those of us that are not Geeks or Gurus.

### **A Case Study**

As an example only, Comcast is an ISP. It provides internet service which allows you to surf the internet, visit websites, look at houses for sale, and read your digital newspaper. It is also a provider of cable TV.

Netflix is a content provider. It allows movies to stream over the internet to your TV or computer. You pay Netflix a monthly subscription, and you can watch anything Netflix has to offer – so long as you have adequate bandwidth. Net Neutrality states that Comcast (or any other ISP) cannot slow down your internet connection if you visit Netflix and stream movies.

On the surface, it makes business sense for Comcast to slow a Netflix user experience, as Netflix competes with Comcast cable TV offerings. If a user can watch Netflix with no speed or bandwidth issues– why do they need cable? If alternative means of TV programming can be had with Netflix, and a user need only get basic internet service for a seamless Netflix viewing experience, isn't that good for the consumer?

### **The "Techy" Stuff**

In 1968, some scientists got together and tried to figure out a way to share files over phone lines. This was the beginning of the internet. Since that time, it has grown and expanded as an unregulated space. It was the wild, wild, west all over again. The internet has grown exponentially – all without government interference or regulation. The epitome of freedom.

### **Net Neutrality – A Solution in Need of a Problem**

Prior to 2015 Net Neutrality implementation, there were isolated cases of ISP's slowing connections based on website content – but nothing so widespread that government regulation was the only answer. Nonetheless, it was implemented. The internet had evolved from 2 geeky scientists in 1968 to what we have today without government regulations. The real questions is "Why was Net Neutrality implemented in the first place?"

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### **Two Opinions:**

#### *Pro Net Neutrality*

Advocates of Net Neutrality believe ISP's will begin to slow connections to websites the ISP may be competing against. Comcast has a product to sell called cable TV. If they are providing internet service to a Netflix user, they could slow the connection to Netflix making Cable TV the clear choice for viewing. If a Netflix user has to pay more for high bandwidth service on top of their Netflix subscription, the user may opt to simply get Cable TV and cancel Netflix.

#### *Anti-Net Neutrality*

Bandwidth is a limited commodity. If your neighbor watches Netflix and you don't, they hog all of the bandwidth leaving your experience sluggish. You pay the same amount for internet access they pay, but your user experience suffers because of their high bandwidth use. Shouldn't they pay a higher premium for their usage of bandwidth? If Youtube wants to stream videos (and charge advertisers), shouldn't the Youtube user have to pay higher internet access costs than someone who doesn't watch Youtube?

If you look around the internet – you will find people with varying opinions both for and against Net Neutrality. Here is a very short list of those that SUPPORT Net Neutrality:

- Netflix
- Facebook
- Google (owner of Youtube)
- Zillow
- Realtor.com

Here is a very short list of those that DO NOT SUPPORT Net Neutrality:

- Comcast
- AT&T
- Verizon
- Time Warner

Those that support it are CONTENT providers, those that are against it are SERVICE PROVIDERS.

### **Does This Effect Real Estate?**

Inman News recently ran a breathless, sky is falling article about Net Neutrality repeal, and how “the Industry” saw doom and gloom over its demise. Funny thing is “the industry” in this case was represented by Inman as Zillow and Realtor.com. These tech giants see this as damaging to their business model – and it quite possibly is. However, Zillow and Realtor.com are not “the industry”. Frankly, these tech giants have used and exploited brokers for years, and now they cry “the industry” will suffer over net neutrality repeal. Perhaps they will suffer...perhaps. If Comcast limits speeds on Zillow – perhaps my little website will be more appealing, and yours too. That would be just terrible for Zillow and Realtor.com.

My Opinion only... Show me any law or regulations Zillow and Realtor.com like, and I will show you a law or regulation we in “the industry” should oppose 100%.