



Net neutrality speech 03. April 2009
Broadband and the EU action in the recovery plan
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INTRODUCTION

The Internet's open, neutral architecture has provided an enormous engine for market innovation, economic growth, social discourse, and the free flow of ideas, in other words, for the development of the new economy's ecosystem.

Next Generation networks are vital to support the Internet's innovative potential and will create unparalleled benefits for consumers, business, and economies in Europe and worldwide.

The power of the Internet's fundamentally open, non-discriminatory nature to inspire innovation is not only central to the success of all today's online business models but also to the unparalleled innovation that users enjoy every day online, and which has underpinned wider economic growth and productivity gains over the past fifteen years.

The ability our economies to get out from the economic downturn we are facing in these months depends increasingly on the entrepreneurial spirit and competitiveness engendered by the Internet.

THE SUCCESS OF THE INTERNET AND NET NEUTRALITY

The success of the Internet can be traced to a few simple network principles – end-to-end design, layered architecture, and open standards -- which together give consumers choice and control over their online activities.

This explains why the main priority is to guarantee sufficient bandwidth and non discriminatory Internet access for all through the development of Next Generation Networks.

But those benefits will only be possible if the on-ramps to the Internet are not only robust, but also kept open.

Keeping the Internet open is about allowing innovation and ensuring an ecosystem, where new ideas can succeed, and new business models can flourish on their own merits. This is beneficial to all stakeholders.

Market consolidation is likely in the next generation environment, and the number of providers in a position to invest in next generation access infrastructure may be limited.

In Italy this is also due to low incentives to the development of so-called “alternative communication technologies” such as Wimax or Satellite Broadband and to the reticence towards innovative solutions such as the use of White Spaces.

The absence of a real competition between broadband access offers often leads to undue blocking and degradation of traffic. This kind of discrimination constitutes not only a violation to our Constitutional Principles, but also a breach to those principles that are at the very basis of the Web as we know it today: openness, transparency and users’ freedom of choice of what web sites to visit and services to consume.

It would be appropriate for the Italian Legislator to introduce following specific safeguards to ensure openness and transparency on the Web, allowing the country to fully seize the opportunities offered by the Internet:

- *Guarantee clear and transparent user information by Internet Access Providers concerning the various levels of access to broadband services offered;

- *Ensure competition between the various networks and available access technologies;

- *Prohibit any kind of discrimination based on the nature of data delivered to the user;

- *Guarantee introduction and implementation of controls and suitable sanctions.

Principles such as convergence, open standards and net neutrality are the key to allow general access to new technologies. Users should be allowed to download and use any software, content or service (always in obedience to copyright regulations), while operators should offer interoperable tools, platforms and services to guarantee the highest level of convergence.

MARKET RESEARCH SUPPORT OUR VIEW

There are several studies suggesting that consumers want lawmakers to preserve and protect an open Internet.

International market research firm Synovate for example polled 944 consumers in European countries on their Internet needs and service. Commissioned by Google, and

other important industry partners, the firm conducted the study independently, with no influence of the companies on the methodology, interviews or results.

Synovate's key findings include:

*An overwhelming 91% of consumers expect their Internet service provider to avoid blocking or limiting their service. This overwhelming majority expects all legitimate websites and applications to receive similar treatment.

*Among those who have recently switched ISP, the research shows that gaining access to more advanced services was a key consideration for many online consumers (ie. watching or downloading movies, making calls online). This suggests strong demand exists if high speed networks are built out allowing Internet companies to innovate and mount new, exciting services. Already, more than two thirds of respondents regularly use online banking, online shopping, video streaming and various forms of online communication. On average, consumers undertake about 8 different online activities.

* Only a minority of 7 to 15% would actually consider changing their ISPs, especially if the Internet connection would cost them more. If unable to access certain websites or online services, more than a quarter of users blame the website - even if it is not responsible.

Consumers clearly think that they should have access to all legitimate sites and services online. They do not want their access blocked or limited. However, most are unaware that their Internet Access Provider may be restricting access to such services in any way.

CONCLUSION

We wish to invite Italian and European lawmakers to ensure that the necessary safeguards exist to protect end-users rights and to preserve the open nature of Internet.

Enabling users to access and distribute the information, services and applications of their choice, using whatever device they want, is central to maintaining and encouraging the innovation that the Internet has become famous for.