The Winter 2006 issue of Virginia Issues & Answers featured a point-counterpoint article on net neutrality, a concept that advocates that networks are “neutral” when delivering content—regardless of destination, application, or fees.

Proponents of net neutrality argue that it is vital for fostering healthy competition among carriers, promoting educational research, and distributing knowledge to all citizens. As well, they note, if all Internet users do not have equal access to the best-available services, there will arise classes of “haves” versus “have-nots.”

Conversely, those who oppose this concept maintain that those in favor of net neutrality exaggerate the impact of a non-neutral Internet on users, companies, and educational institutions. They also note that it is standard business practice for companies to ask consumers to pay higher fees for premium service.

After several telecommunications bills stalled in Congress, the Federal Trade Commission (FTC) issued on June 27 a new report on the topic. Although the report was 170 pages, its conclusion was succinct: that no new laws are needed to address net neutrality. Specifically referring to Congress, the report concludes, “We recommend that policy makers proceed with caution in evaluating proposals to enact regulation in the area of broadband Internet access.”

In presenting the report, FTC Chair Deborah Platt Majoras said that the commission made these recommendations “in the absence of significant market failure or demonstrated consumer harm.” She also noted that practices that would discriminate among Internet traffic, such as “data prioritization, exclusive deals, and vertical integration into online content and applications,” might benefit consumers.

Several groups pushing for net neutrality expressed their disappointment at the report’s conclusion, including the SavetheInternet.com coalition. Speaking on the group’s behalf, S. Derek Turner, research director for Free Press, said, “Millions of Americans can’t access or afford high-speed-Internet services, and the United States continues to slip in every global ranking of broadband progress. The same phone and cable companies whose anti-competitive policies created this sorry situation are now proposing to become gatekeepers over Internet content and services. But the FTC seems content to stand on the sidelines.”

In contrast, National Cable and Telecommunications Association CEO Kyle McSlarrow issued a statement commending the FTC for “comprehensively examining the competitive forces, both economic and policy at work in today’s Internet. As the leading provider of residential broadband in America, cable welcomes this thoughtful report.”

The latest attempt to pass a pro-net-neutrality bill in Congress, the Internet Freedom Preservation Act (S. 215), was introduced on Jan. 9, 2007. The bill was referred to the Committee on Commerce, Science, and Transportation, which has yet to act on it.