



Good morning, Mr. Chairman and Commissioners.

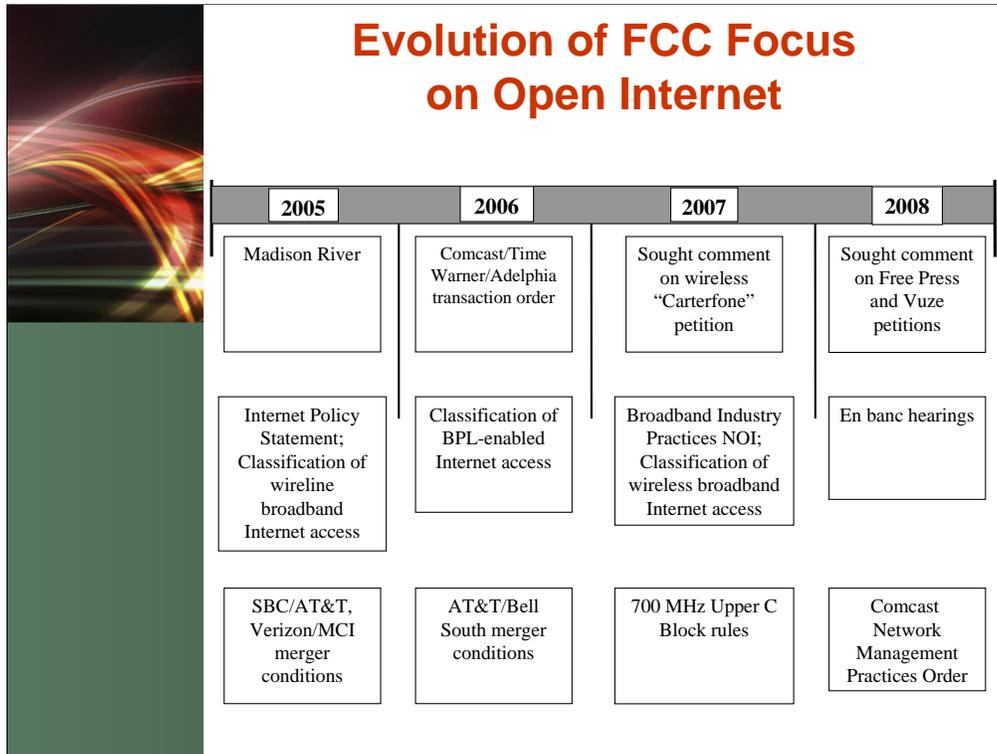
The Internet has transformed our nation's economy, culture, and democracy – and critical to this success has been the Internet's openness and the transparency of its protocols.

Today we present to you a draft Notice of Proposed Rulemaking that seeks public input on draft rules to preserve an open Internet.

This Notice is a joint item with the Wireless Telecommunications Bureau, and joining me at the table is Ruth Milkman, Chief of the Wireless Bureau. We would like to acknowledge the contributions of our colleagues in the Office of Strategic Planning and Policy Analysis, Office of Engineering and Technology, Office of the General Counsel, Public Safety and Homeland Security Bureau, and Consumer and Governmental Affairs Bureau. We are pleased that Julie Knapp, Chief of OET, is with us at the table and will discuss a plan for technical outreach going forward.

Ruth and I would like to say a special thank you to the WCB and WTB staff team of Nick Degani, Dan Ball, Bill Kehoe, Matt Warner, Claude Aiken, Jennifer Tomchin, Sandra Danner, John Spencer, and Paul Malmud for their great work on this item.

Also at the table are Bill Dever, Chief of the Wireline Bureau's Competition Policy Division and Blaise Scinto, Chief of the Wireless Bureau's Broadband Division. Bill and Blaise will present the item.



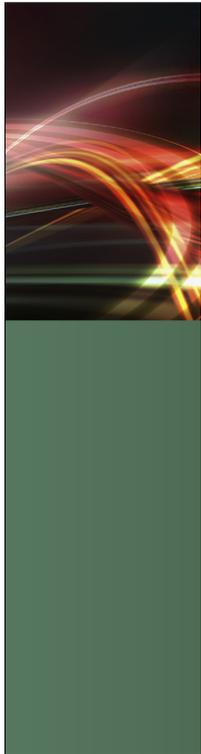
Today's Notice represents the next step in an ongoing and longstanding effort at the Commission.

The Commission has considered the issue of Internet openness in a wide variety of contexts and proceedings, including:

- a unanimous policy statement in 2005;
- a notice of inquiry on broadband industry practices in 2007;
- public comment on several petitions for rulemaking;
- conditions associated with significant communications industry mergers;
- the rules for the 700 MHz spectrum auction in 2007;
- specific enforcement actions; and
- en banc hearings.

Throughout this process, opportunities for public participation have generated over 100,000 pages of input in approximately 40,000 filings from interested parties and members of the public.

Today's Notice seeks to build upon the existing record at the Commission to identify the best means to achieve the goal of preserving and promoting the open Internet. The Notice seeks to do so in a manner that will protect the legitimate needs of consumers, broadband Internet access service providers, entrepreneurs, investors, and businesses of all sizes that make use of the Internet.



## Codification of Open Internet Principles

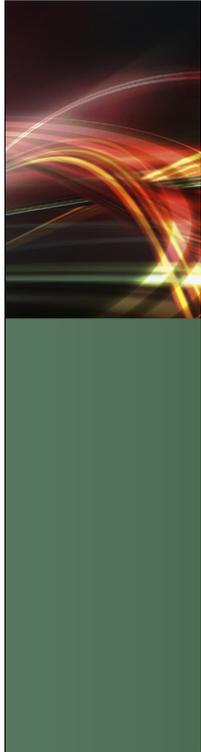
- Access to Content
- Access to Applications/Services
- Connect Devices to the Network
- Access to Competition
- Nondiscrimination
- Transparency

The Notice seeks comment on draft rules to codify the four principles the Commission articulated in its 2005 *Internet Policy Statement*. Specifically, under the draft rules, subject to reasonable network management, a provider of broadband Internet access service may not:

- 1) prevent any of its users from sending or receiving the lawful content of the user's choice over the Internet;
- 2) prevent any of its users from running the lawful applications or using the lawful services of the user's choice;
- 3) prevent any of its users from connecting to and using on its network the user's choice of lawful devices that do not harm the network; or
- 4) deprive any of its users of the user's entitlement to competition among network providers, application providers, service providers, and content providers.

The Notice also seeks comment on draft rules that would codify additional principles of nondiscrimination and transparency:

- The draft nondiscrimination principle would require that, subject to reasonable network management, a provider of broadband Internet access service must treat lawful content, applications, and services in a nondiscriminatory manner.
- The draft transparency principle would require that, subject to reasonable network management, a provider of broadband Internet access service must disclose such information concerning network management and other practices as is reasonably required for users and content, application, and service providers to enjoy the protections specified in this rulemaking.



## Principles Subject to:

- Reasonable Network Management
  - Manage congestion on networks
  - Address harmful and unwanted traffic (viruses, spam)
  - Prevent unlawful content (child pornography)
  - Prevent unlawful transfers of content (copyright infringement)
  - Other reasonable network management practices
- Emergency Communications
- Law Enforcement
- Public Safety and National and Homeland Security

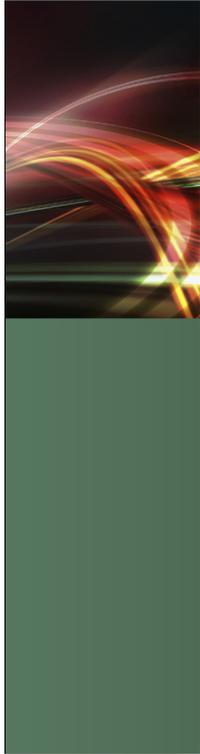
Recognizing that the proposed framework needs to balance potentially competing interests while helping to ensure an open, safe, and secure Internet, the Notice seeks comment on draft rules that would subject all six principles to reasonable network management.

Under the draft rules, reasonable network management would include reasonable practices employed by a provider of broadband Internet access service:

- to reduce or mitigate the effects of congestion on its network or to address quality-of-service concerns;
- to address traffic that is unwanted by users or harmful;
- to prevent the transfer of unlawful content, such as child pornography; and
- to prevent the unlawful transfer of content, such as to prevent copyright infringement.

The draft rules also permit other reasonable network management practices.

Further, nothing in the draft rules supersedes any obligation a broadband Internet access service provider may have—or limits its ability—to deliver emergency communications, or to address the needs of law enforcement, public safety, or national or homeland security authorities, consistent with applicable law.



## Managed or Specialized Services

- “Managed” or “specialized” services:
  - are often provided over the same networks used for broadband Internet access service; but
  - may differ from broadband Internet access services in ways that suggest a different policy approach.
- The Notice seeks comment on:
  - how to define this category;
  - what policies should apply; and
  - how to ensure that the development of new services can co-exist with the preservation of the free and open Internet.

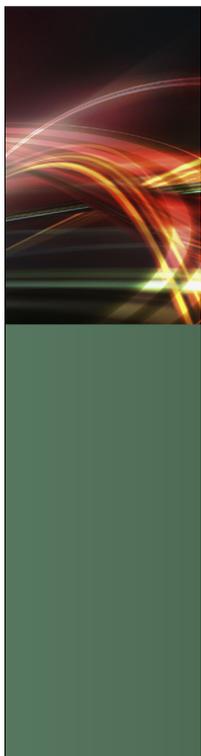
The Notice recognizes that there are and will continue to be Internet-Protocol-based offerings – we’ll call them “managed” or “specialized” services – that:

- are often provided over the same networks used for broadband Internet access service; but
- may differ from broadband Internet access services in ways that suggest a different policy approach.

While the proceeding will seek input on how best to define and treat such services, managed or specialized services could include voice and subscription video services, certain business services provided to enterprise customers, and specialized applications like telemedicine, smart grid, or eLearning offerings. Such services may provide consumer benefits and may lead to increased deployment of broadband networks.

Accordingly, the Notice seeks comment on how the Commission should address managed or specialized IP-based services in order to allow providers to develop new and innovative technologies and business models and to otherwise further the goals of innovation, investment, research and development, competition and consumer choice, while safeguarding the open Internet.

In particular, the Notice asks how the Commission should define the category of managed or specialized services, what policies should apply to them, and how to ensure that broadband providers’ ability to innovate and develop valuable new services can co-exist with the preservation of the free and open Internet that consumers and businesses of all sizes have come to depend on.



## Application of Principles to Mobile Wireless Broadband

- Proposes application of six codified principles to all platforms for broadband Internet access, including mobile wireless broadband
- Seeks comment on **how, in what time frames or phases, and to what extent** the principles should apply to non-wireline forms of Internet access
- Recognizes differences between mobile wireless broadband networks and other types of broadband networks used for Internet access
- Examines in particular two aspects of the framework:
  - Any device rule
  - Reasonable network management

The Notice affirms that the six principles it proposes to codify would apply to all platforms for broadband Internet access, including mobile wireless broadband, while recognizing that different access platforms involve significantly different technologies, market structures, patterns of consumer usage, and regulatory history.

To that end, the Notice seeks comment on how, in what time frames or phases, and to what extent the principles should apply to non-wireline forms of broadband Internet access, including terrestrial mobile wireless, unlicensed wireless, licensed fixed wireless, and satellite.

Because of the rapid growth and increasing use of mobile wireless as a platform for broadband Internet access, the Notice examines in greater detail the application of the principles to mobile broadband Internet access.

For example, the Notice recognizes unique technical characteristics of mobile networks – such as wide variations in signal levels across service areas and interference from other devices – and seeks comment on the implications of these characteristics in evaluating the reasonableness of network management practices.

**Next Steps in the Process**

**ECFS** File comments with ECFS Express

**JOIN THE EVENTS**

**OPENINTERNET.GOV** BETA

**DISCUSS THE BLOG**

**IdeaScale**

**TECHNICAL ADVISORY PROCESS**

Today's Notice is the beginning of the process towards adopting clear, enforceable, and common sense rules of the road that broadband providers and Internet companies of all sizes can build their businesses around.

The adoption of this Notice will open a window for submitting comments to the FCC. Comments can be filed through the Commission's Electronic Comment Filing System, and are due on Thursday, January 14. Reply comments are due on Friday, March 5.

In addition, the rulemaking process will include many opportunities for public input, including:

- public workshops on key issues;
- providing feedback through openinternet.gov, which will include regular blog posts by Commission staff; and
- other new media tools, including IdeaScale, an online platform for brainstorming and rating solutions to policy challenges.

Julie Knapp will now talk about technical outreach.

Mr. Chairman and Commissioners, we recognize that our decisions in this rulemaking must reflect a thorough understanding of current technology and future technological trends. To ensure that we have this understanding, the Office of Engineering & Technology will create an inclusive, open, and transparent process for obtaining the best technical advice and information from a broad range of engineers.

We will fully explore technical issues such as what constitutes reasonable network management practices, how to ensure transparency and disclosure of network practices, and how we can prevent any detrimental impact on the delivery of wireline and wireless Internet services. We will provide further details about this process in the near future.

The Bureaus recommend adoption of this Notice and request editorial privileges. Thank you.