

Which Broadband and IT Vision for America?

BY ROBERT D. ATKINSON | APRIL 11, 2008

Recently, I had the pleasure of attending David Isen's engaging and stimulating Freedom to Connect conference in Washington, DC.¹ Billed as an "inside the beltway" confab where "the Netheads come to Washington," presumably to tell Washington "Bellheads" how the Internet really works, the conference was as close to the beltway as one could be (at the AFI Theatre in Silver Spring, MD) while still being technically inside the beltway.

From the moment I walked through the door and was handed the introductory schwag – in this case a pair of flip-flops and bright red t-shirt with a picture of a guy holding an Ethernet cable in one hand and a cable end in another designed to look like a hammer and sickle – I knew I was in for two days of what Milton Mueller terms info-communism.² In this world, wired and wireless broadband networks should be publicly owned, symmetrical (no slow up-load speeds) and ideally free; democracy should be direct and online (ideally dictated by liberal bloggers); and people have not just the right, but the responsibility to liberate music, movies and software from the hands of profit-hungry corporations by "sharing" them on peer-to-peer (P2P) networks.

In a nod to the classless and egalitarian society the conference promotes, the speakers were on equal terms, at best, with the audience (both physical and vir-

tual), many of whom were on their laptops furiously commenting about what the speakers were saying (and about all sorts of other unrelated matters), with their commentary projected on a screen three times larger than the small screen showing the speakers' PowerPoints. Indeed, as Alex Goldman, Managing Editor of ISP Planet, writes, "The conference uses the movie theater screen to project a live IM discussion that occurs behind the speaker while the event is happening... Important points are debated and even footnoted, with key sources listed, all in real time."³

If the conference had a theme it was how to promote "freedom" in the emerging digital world. And while freedom for the Progress & Freedom Foundation's Aspen Conference is about freedom from government, here the theme was freedom from the control of big corporations.⁴ John St. Julien, the "grassroots champion" of Lafayette, Louisiana's municipal fiber broadband network, summed up why he, and I suspect most in the audience, want to limit the role of corporations in broadband and the overall digital economy.⁵ In a speech comparing Comcast and Verizon broadband customers to medieval serfs who need to stand up and revolt to end the tyranny of their feudal overlords, St. Julien stated that he resented incumbents because "they treat us like serfs, like it's their network... We can own our networks, we can take control of our

The Information Technology and Innovation Foundation (ITIF) is a nonprofit, non-partisan public policy think tank committed to articulating and advancing a pro-productivity, pro-innovation and pro-technology public policy agenda internationally, in Washington and in the states.

For more information, contact ITIF at 202-449-1351 or at mail@itif.org, or visit www.innovationpolicy.org.

networks.” Broadband users of the world unite; you have nothing to lose but your telecom service agreements.

St. Julien’s, and much of the cyber left’s views highlight a key question: what kind of public policies, if any, should we have to promote digital prosperity and progress? This is a debate that is just beginning to be played out in the presidential campaigns and will assume even more importance next year when a new administration takes office.

One side, the ideological right, sees cyberspace and the digital economy as completely private. For them, corporate network owners should be able to do virtually whatever they want. After all it’s their network because they paid for it. If content owners want to make it virtually impossible to use digital content in ways other than those they dictate, even in the clearest cases of fair use, that’s their right because it’s their property. And since markets get these things right, including the amount of broadband companies provide and people buy, there is no need for proactive government policies to spur more broadband and digital transformation.

When confronted with this view of the digital world, it’s no wonder that many on the left overreact and go to the other extreme. For them “freedom to connect” means freedom to get bandwidth for free or near free (as one IM post at the conference demanded, “It’s time for \$5 a month DSL!” Of course, that might be a bit difficult, as it costs considerably more than \$5 a month to provide DSL, but, hey, the companies can pay for it by reducing their profits). Freedom to connect also means freedom to steal digital content like movies, music and software without paying the content owners, who after all have too much money anyway. And freedom to connect means freedom to use without any hindrance or pricing whatever applications you want online, including high bandwidth peer-to-peer applications, even if doing so makes your neighbors’ web surfing seem as slow as dial-up.

So if you ever wonder why Washington has done so little to promote broadband and digital transformation, the answer is that we are mired in a debate that is as extreme as it is unproductive. One side sees government as the problem; the other, big corporations. One side wants all networks and information to be private with almost no role for government. The other wants

big corporations out of the role of providing networks, content and software; instead these should be publicly-owned, produced by open-source volunteers, or, when these advocates are feeling particularly magnanimous, owned by small mom and pop ISPs.⁶

Yet, if we look around the world at nations that are leading in the transformation to a digital economy, including in broadband, – nations like Japan and Korea – it’s clear that one reason they got there was because they eschewed both the conservative “no government” path and the liberal “government regulation/ownership” path. Japan has the most extensive fiber broadband network in the world, while Korea has the highest broadband penetration rate in the world, an increasing share of it through fiber. Yet these networks were built not by governments but mostly by large corporations like NTT, Korea Telecom and Hanaro. But conservatives should also take note: these corporations didn’t build the networks on their own simply in response to “market forces.” They got a lot of help and guidance from smart and activist governments that decided their nations needed to move into the digital world and that government was going to play a helping role in getting them there.

In short, we need a debate in America that focuses on the most important issues like how to get fast broadband networks to all Americans; how to use IT to transform our health care system, transportation system, education system, and government; and how to encourage all organizations to become digital, thereby driving productivity and income growth and a better quality of life. To get there we will need smart public-private partnerships. Big corporations, as well as small entrepreneurial ones, will play key roles in spurring digital transformation. But so too will government, in part by ensuring the public interest is protected, but just as importantly by helping private actors take into account public benefits (what economists call positive externalities) when making decisions. This kind of pragmatic, realistic policy approach is needed not just for broadband policy but also for a host of IT policy areas.⁷ As we move into the heart of the ‘08 campaign and next year’s Congressional debates, we can only hope that the debate and deliberations are based on pragmatic realism, not ideological extremism.

Robert Atkinson is the President of the Information Technology and Innovation Foundation.

Endnotes

1. F2C: Freedom to Connect: <freedom-to-connect.net/>.
2. Milton Mueller, “Info-communism v. info-liberalism. Commons and Exclusivity in Information Property Rights,” *First Monday* 13.4 (7 Apr. 2008): <www.uic.edu/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/2058/1956>.
3. Alex Goldman, “Why I’m Attending the Freedom to Connect Conference,” ISP Planet: <www.isp-planet.com/politics/2008/attend_f2c.html>.
4. The Progress and Freedom Foundation, “The Aspen Summit,” <www.pff.org/aspensummit/aspensummit2007/index.html>.
5. Lafayette Pro Fiber Blog: <lafayetteprofiber.com/Blog/Blog.html>.
6. See Robert D. Atkinson, “Disconnected Condemnation,” (Alliance for Public Technology, 2008): <www.itif.org/index.php?id=116>.
7. See Robert D. Atkinson, “Framing a National Broadband Policy,” (Washington, DC: The Information Technology and Innovation Foundation, 2008): <www.itif.org/index.php?id=118>.