



We know your  
network.

But we also know  
your name.

## *Net Neutrality: Is It Possible?*

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# Speaking on Behalf of

- **tw telecom**

- In July 1998, we became a separate entity apart from Time Warner Cable and were reorganized into Time Warner Telecom LLC. In May 1999, we issued an IPO and became Time Warner Telecom Inc. In July 2008, Time Warner Telecom became **tw telecom**.
- **tw telecom inc.**(NASDAQ: TWTC), headquartered in Littleton, Colorado, is a leading provider of managed voice and data networking solutions to a wide array of businesses and organizations. One of the country's premier competitive telecom carriers, **tw telecom** integrates data, dedicated Internet access, and local and long distance voice services for long distance carriers, wireless communications companies, incumbent local exchange carriers, and enterprises doing business in healthcare, finance, higher education, manufacturing, and hospitality industries; as well as to state and local government and military organizations. **tw telecom** currently delivers service in 30 states and 75 U.S. metropolitan areas.

# Speaking on Behalf of

- MACC \* Not all Members of MACC Agree with My comments
  - the Midwest Association for Competitive Communications (MACC)—a coalition of telecommunications companies and interested businesses. MACC is dedicated to supporting a regulatory environment that fosters competition in the communications marketplace. On the web at [www.macconline.net](http://www.macconline.net).
  - Carrier members of the coalition include:

Access Point, Inc.	Level 3 Communications, Inc.
Birch Communications	Nuvox
Cavalier Telephone	One Communications
CBeyond	PaeTec, Inc./McLeodUSA, Inc.
Communications, LLC	Socket Telecom, LLC
Covad Communications	tw telecom inc.
Company	TDS Metrocom LLC
Globalcom, Inc. / First	XO Communications, Inc.
Communications, Inc.	360networks (USA) Inc

# Overview

- Net Neutrality: Lots of Questions – Not Many Answers
  - Jurisdiction of the FCC
  - “The Third Way” or “Title II Lite”
- Guiding Principle: Do No Harm
  - Reasonable Network Management Practices
  - Impact on Enterprise Customers
  - Off-Net Quality of Service (QoS) and Class of Service (CoS)

# Net Neutrality – Jurisdiction Debate

- Jurisdiction of the FCC:
  - The *Comcast Case* called into question the FCC's authority to regulate broadband services under ancillary jurisdiction of Title 1 as an information service.
  - Jurisdiction impacts ability of FCC to Implement
    - Net Neutrality Rules
    - USF Reform to include Broadband services as supported services,
    - Broadband Plan Implementation:
      - » protecting consumers and promoting competition by ensuring transparency regarding broadband access services,
      - » facilitating access to broadband services by persons with disabilities
      - » ensuring next-generation 911 services for broadband communications
  - Must resolve jurisdictional issues before we can move forward with Net Neutrality NPRM.

# Net Neutrality – The Third Way

FCC Chairman Julius Genachowski recently published a *Third Way* plan to regulate broadband service as a telecommunications service under Title II subject to certain limitations:

- “Consumers do need basic protection against anticompetitive or otherwise unreasonable conduct by companies providing the broadband access service (e.g., DSL, cable modem, or fiber) to which consumers subscribe for access to the Internet.”
  - Seems to suggest applying regulation to facility provider and not application.
- The plan has been referred to as the “Third Way”.
  - It would classify the transmission component—and only the transmission component—of broadband Internet access as a telecommunications services.
  - It would create a hybrid way of regulating broadband Internet access by forbearing from certain Title II requirements and only apply Sections 201, 202, 208, 222, 254, and 255.
- The Chairman has announced his intention to place a Framework for Broadband Internet Access Service NOI on the June 17th Open Meeting Agenda.
- **tw telecom** is still reviewing the proposal. No comment at this time.

# Guiding Principle: Do No Harm

- FCC Issued a Notice of Proposed Rulemaking (GN Docket No. 09-191)
  - All six principles are “subject to reasonable network management” which include practices:
    - to reduce or mitigate the effects of congestion on the network or address quality-of-service concerns
    - to address traffic that is unwanted by users or harmful
    - to prevent the unlawful transfer of content
  - catch-all: other reasonable steps to maintain the proper functioning of the network

# Guiding Principle: Do No Harm

## Rules Could Impact Enterprise Customers' Use of Managed Services

Network Management Practices are critical to the network provider that carries 'best efforts' traffic and other traffic sensitive to latency and packet delay.

- Use Service Level Agreements (SLA) to establish quality of service (QoS) parameters. QoS is often packaged into different Classes of Service (CoS) and then managed according to the parameters.
  - Managed services include:
    - Applications offered by network provider that requires prioritization in order to work (Business Class VOIP, Video)
      - » Enterprise Voice Service bundled with Internet Access is offered by tw telecom as a 'managed service'. The network dynamically allocates bandwidth between Internet access and voice traffic as needed. Voice services are given priority.
    - Transmission services offered by network provider that permits customer to choose the level of prioritization the customer believes is necessary for their applications (bare transmission with QoS parameters).
      - » Ex: circuits for video between different office locations, Switched Ethernet

# Guiding Principle: Do No Harm

## Impact on Off-Net Managed Services

- FCC's proposed rules assume that managed services are provided over an individual providers' private networks and non-managed services are provided over the best-effort public Internet. Times are a Changing.
- Provider cannot currently guarantee QoS for packets that leave that single provider's network. No network goes everywhere all the time and therefore no carrier can guarantee QoS in an off-net scenario.
  - Providers are beginning to agree to exchange QoS and CoS across networks through private agreements.
  - Agreements need to be encouraged by the FCC regulation.
  - Entire Internet could eventually become capable of supporting QoS sensitive managed services.