

Broadband

House Panel To Nix 'Network Neutrality' Safeguards

by [David Hatch](#)

In a major blow to Internet firms like Amazon.com and Google, the [House Energy and Commerce Committee](#) expects to scrap plans for "network neutrality" safeguards in telecommunications legislation, Capitol Hill and industry sources said Friday.

Instead, the panel would move a streamlined video-franchising bill sought by AT&T and Verizon Communications, which are deploying video services that will compete with cable companies.

Under draft legislation floated by the panel, net neutrality would limit how much control high-speed Internet providers have over their networks. Internet companies like eBay, Microsoft and Yahoo worry that without such restrictions, companies such as AT&T, BellSouth and Verizon might act as content gatekeepers. The Bells say they would not discriminate against competitors.

The Bells technically support net neutrality but only if they could offer premium tiers of broadband service favoring their own content -- something Internet companies oppose. The cable industry opposes net neutrality mandates, but cable operators insist that they follow voluntary guidelines. One source privately warned that without neutrality restrictions, companies that control broadband pipes could do what they want.

For months, network neutrality has been the centerpiece of a sweeping draft telecom bill pending before House Energy and Commerce. The issue has garnered national headlines, with many observers saying the Internet's future lies in how the term is defined in the bill.

Officially, the committee said the situation is in flux. "The dialogue among committee leaders and staff about the best approach continues, and we're making progress," spokesman **Kevin Schweers** wrote in an e-mail. "However, the legislation remains a work in progress, and no final decisions have been made."

But sources told *Technology Daily* on Friday that the committee is likely to drop net neutrality altogether because lawmakers cannot reach a consensus. Also expected to be dropped are portions governing municipal broadband networks and the interconnection of telecom carriers.

The provisions face the chopping block for several reasons. There are not enough days left in the congressional session to reach agreement, sources said. And some committee members think net neutrality should be addressed by the FCC, though the agency's authority in that area is unclear.

Instead of a comprehensive bill, the committee now is expected to adopt Verizon's idea for a streamlined measure primarily addressing video franchising. The bill would place new video competitors under FCC authority when they enter markets. New entrants

would pay franchise fees and fulfill other obligations but would not negotiate with localities.

Once a new entrant has reached a threshold of 15 percent market penetration, the dominant cable provider would be subject to the same deregulation. The measure could be debated in March by the Energy and Commerce Telecommunications and the Internet Subcommittee.

The streamlined bill also would include language requiring providers of Internet telephone service to offer "enhanced 911" emergency service, sources said.