GFG CAPITAL A FAMILY OFFICE

VIEWS FROM THE BRICK INFORMATION SUPERHIGHWAY IS UNDER CONSTRUCTION

The internet was designed to be the ultimate no man's land. Whether or not is was created by Al Gore is still internet folklore. Maybe he didn't birth it, but we believe he was there when it happened. Regardless, this new frontier was meant to be the information superhighway; connecting corners of the world in ways generations could have never imagined. The internet's exponential expansion couldn't have been anticipated. What has been treated similarly to the autobahn to this point is now in jeopardy of having new lanes carved out, tolls enacted and speed traps set in place.

WHAT IS NET NEUTRALITY?

Well if taken literally, it's the idea that the internet should be a neutral place for all to utilize. Net neutrality is the principle that internet service providers must treat all data on the internet the same, and not discriminate or charge differently by user, content, website, platform, etc. First, a quick recap of measures taken over the last few years to promote net neutrality and the light regulation that has been imposed on the internet and service providers.



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NOW WHAT?

Well we have a new head of the FCC in Ajit Pai who's pro-merger and anti-regulation. In less than 12 months as the head of the FCC, he was able to turn this vote into reality. The repercussions of ending net neutrality are widely unknown, but speculation of an internet experience that is dictated by a handful of ISPs doesn't sound like something that benefits consumers. Nor does it sound like transparency would be at the forefront. But before we jump to that conclusion, the vote that just occurred did nothing but setup a debate that will be had in court likely sometime next year. Now, for the third time. What's happened in the first two occurrences? 2-0 in favor of net neutrality.

WHAT IF?

In the event that the deregulation of ISPs is passed, here are the winners and losers as we know it today:

W- Internet service providers (ISP). The potential end result of a sweeping deregulation of the internet could result in bundled services, much like how cable is sold to consumers today. What this could mean is ISPs win on both ends. Content providers will be able to, and will pay, for prioritization (greater bandwidth) and consumers will likely have to pay a premium for access to the content they enjoy the most. Sounds like a win-win actually, but for only one end.

W- Large content providers. Content providers such as Netflix or Google (who oppose the repeal) could end up outspending smaller providers to ensure customers get the same service speed.

L- Competition. Smaller content providers and startups won't have the deep pockets it will take to compete with the larger providers.

L- Consumers. As it stands today, you are able to pick up your phone, tablet or computer and surf the web without interruption. Consumers might be looking at an internet experience that requires them to "pay to play".

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