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**REPORT OF THE SEMINAR ON “THE INTERNET ACCESS  
ECOSYSTEM AND NETWORK NEUTRALITY”**

**(Item on the Agenda: 4.2)**

**(Document submitted by the Coordinator of the Seminar)**

The seminar on “**The Internet Access Ecosystem and Network Neutrality**”, co-organized by CITEL PCC-1 and Internet Society (ISOC), was held in the city of Ushuaia, Argentina, on May 10, 2010.

The main purpose of this seminar focused on three areas, which are in turn closely connected: the way in which the Internet environment operates (the Internet Model), the various actors and processes that compose it and permit access to the Internet (the Internet Access Ecosystem) and the relation between these factors and one of the most prevalent factors today: the concept of Network Neutrality, which is now being substituted in discussions by Open Inter-Networking.

These three areas were the titles of the panels that were presented. The following is a summary of the various presentations:

**PANEL 1: THE INTERNET MODEL**

This panel included three participants: Ruth Puente (LACNIC), Vagner Diniz (Internet Management Committee from Brazil) and Sebastián Bellagamba (Internet Society).

The introduction was conducted by Bellagamba, who presented on the current collaboration models under the framework of what he defined as the Internet Ecosystem. It describes the organizations and communities that guide the operation and development of the infrastructure and technologies that make up the global Internet based on a development model that includes a set of common values, such as global shared ownership, multi-participation, open standards and freely accessible processes. This is known as the “Internet Model”.

Diniz focused his presentation on a specific example of an Internet model in action: the case of the Internet Management Committee of Brazil. He explained that the Internet governance model of Brazil has a legal basis, namely a Presidential decree, which created the Internet Management Committee of Brazil

(CGI.br) whose responsibility is to preserve Internet stability and development. But, rather than a legal basis, the Brazilian model has a sound foundation of principles and values that define the line of action for the CGI.br. The 10 principles for the use of Internet in Brazil emphasize that the use of Internet must guarantee human rights, the privacy of citizens and freedom of expression and that the management model must be democratic, collaborative, inclusive, non-discriminatory and transparent. Furthermore, it must promote universal access and its use, innovation and development by promoting network neutrality, the use of open standards and the maintenance of a technical environment to ensure Internet functionality, security and stability.

Then Puente presented the work conducted by LACNIC in conjunction with governments and other relevant actors to assist in the deployment of IPv6 in Latin America and the Caribbean region. She emphasized that the final resolution of the World Summit on the Information Society introduced the term “enhanced cooperation”, which implies the big challenge of developing new cooperation models to increase the participation of all the relevant actors in their respective roles. The RIRs (Regional Internet Registry) have taken this challenge by training and raising awareness of this situation among their communities. This was done in cooperation with civil society, governments and the private sector, which made it possible to make progress in the transition to IPv6. In this sense, the governments play an important role in this process, and it is essential that they ensure access to all Internet benefits for all their citizens, working with the industry, the academia and the RIRs to conduct IPv6 promotion activities in their respective countries as well as provide their services on IPv6.

To conclude, the three speakers presented practical examples of how to implement the common principles of active participation of multiple players, collaboration and cooperation that characterize the Internet Model, and they agreed on the importance of not only preserving but also strengthening these values.

## **PANEL 2: THE ECOSYSTEM OF INTERNET ACCESS**

The member of this panel were: Ernesto Flores-Roux (CIDE – DIRSI), Julián Casasbuenas (Colnodo), Jacobo Cohen Imach (Mercado Libre), Ariel Graizer (CABASE) and Christian O’Flaherty (Internet Society).

As an introduction to the issue of access, Ernesto Flores Roux showed that even though the Internet access infrastructure continues to grow in Latin America through broadband – both fixed and mobile-infrastructure, the number of users is not increasing at the same rate and is showing a slowdown year after year. In fact, from a comparative point of view, the region is losing positions in the global rankings. This is mainly due to three factors: an unfavourable regulatory environment, poor infrastructure and lack of ownership. In order to revert this trend, the various country authorities should simultaneously create policies that foster and promote the development of the three essential pillars: infrastructure, content and ownership. This will enable draw the great economic and social potential of the Internet.

To achieve ownership, the case presented by Julian Casasbuenas from “La red de Telecentros” is really interesting. In our region the case appears as a driving force that facilitates access to the ICTs in less favored communities, by reducing the digital divide in our region and expanding the markets to internet service providers. He concluded that the government programs that encourage their implementation and strength are necessary; as well as the implementation of public policies that encourage broadband access and facilitate spectrum access in order to set up community wireless networks in rural areas.

Jacobo Imach Cohen made a presentation on the content. He spoke mainly about electronic commerce which is important in order to develop the economies of our countries, and also benefits the society at

large. We should therefore accompany the current drive by generating legal frameworks that (i) establish clear rules, (ii) guarantee legal certainty for both consumers and companies, (iii) encourage investments and development of the sector and the Information Society, and (iv) enable the creation and identification of innovative industries as well as Web service offerings.

This regulation should consider the most successful international legislative trends and be tailored to the legal tradition of each country. It should be the result of coordination and cooperation efforts amongst all the sectors involved.

To make the ecosystem work, the infrastructure is of paramount importance, and this issue was raised by Ariel Graizer. He concluded that the governments should use Universal Service funds without arbitrariness or impositions, opening up to new services and new operators. This should be carried out on an equal basis, offering third parties access to the infrastructures generated by Universal Service subsidies.

The panel concluded that it is necessary to act on three pillars: infrastructure, content and ownership by encouraging the creation of new access ecosystem components and greater interaction among the components to regain the necessary growth on internet access for everyone's benefit. The PCC.1 should maintain and analyze in greater depth the inclusion of information about projects that show the impact of different internet access initiatives on society in order to replicate success cases in different countries.

### **PANEL 3: NETWORK NEUTRALITY, A CONCEPT KNOWN TODAY AS OPEN INTERNETWORKING**

Five were the lecturers of this panel: Andrés Maz (Cisco), Daniel Arias (Telefónica), Kiran Duwadi (FCC), Pedro Less (Google) and Sebastián Bellagamba (Internet Society).

In the first presentation, Bellagamba highlighted that the concept of Network Neutrality is a problematic issue, wrongly defined, and that Internet Society prefers to call it Open Internetworking, since it is there where the power of Internet resides. In his presentation, he emphasized the concept of openness as an essential principle for the development of Internet and that by protecting it access, election and transparency are guaranteed.

Likewise, it was stated that the huge growth in the bandwidth and the new applications used over the Internet generate, in some cases, traffic congestions that force operators to intervene. In this sense, the need to find global solutions for global problems was observed and the work being carried out by IETF in this sense was described.

Some political considerations arise from these concepts: there is a need for effective competence at network and services level; transparent service offers that enable informed elections; seamless access to the diversity of services, applications and contents on the global Internet. To achieve that, it is necessary to provide understandable information on service limitations and network and traffic restrictions and a reasonable network management that is not anticompetitive or harmful to the users' reasonable expectations.

The second presentation was delivered by Daniel Arias, Director of Regulation and Wholesale Business of Telefónica Internacional, whose conclusion with regard to the debate on Network Neutrality was that the mass access to Internet and the development of new services have triggered an explosive growth in traffic that challenges the network capacity. He has also upheld that there is a convergence of different

user profiles in the network, with different communication needs and requirements. Satisfying the specific communication needs of each client calls for a reasonable network management that guarantees the service quality agreed with every one and a fair treatment, which requires differentiated rates according to the use. Such management should guarantee a non-discriminatory treatment to the underlying contents and applications. An attempt to regulate the Internet would imply shaping a complex system, in continuous evolution and with dynamic characteristics, with the purpose of solving poorly defined or hypothetical problems, which could stop the dramatic development achieved. In the event of potential anticompetitive practices, the legislation on competition has proved adequate to address such situations.

The third speaker, Pedro Less Andrade, Senior Policy Counsel of Google Latin America, discussed about Network Neutrality towards a Network without Barriers. During his presentation he analyzed the present and future evolution of the web in terms of content and applications. He described the essential and specific characteristics of the broad band as well as the financial incentives for providers. He also analyzed the definition of Network Neutrality from different perspectives, including a functional definition. He described the problems and consequences resulting from violating the network neutrality principle for the Internet ecosystem. He finally described acceptable and unacceptable practices, specifying what is considered as adequate levels of network management and accepted schemes of differential rates that are not discriminatory and anticompetitive practices.

In the fourth presentation, Andrés Maz from Cisco emphasized the low penetration of the broad band in Latin America, indicating that the penetration rate is below 10% in all the countries in the region, as well as in the new business models that need high quality Internet connection (low latency). He stated that the total aggregate traffic in Latin America will grow 4 times by 2013 compared to 2009 and that, in this regard the regulation on network neutrality could put an end to commercial arrangements and would severely restrict traffic innovation, experiment and growth.

To conclude, Kiran Duwadi from the US FCC provided a historical context of his involvement in matters related to the administration of networks in the pre Internet and dial-up eras, following an explanation of the FCC Open Internet procedure. During his presentation he underscored that the FCC is committed to ensuring that Internet continue to be a free and open platform that promotes innovation, investment, competence and user interests. The proposal for Open Internet rules is not an attempt to regulate the Internet. Instead, the purpose of this procedure is to set high level, flexible "Rules of the Road" for the "access ramp" to the Internet, so as to guarantee the promotion of Internet innovations and infrastructure.

Over the years, the FCC has considered the issue of network openness and developed policies to protect and promote an open Internet in different contexts and processes. During his review of these issues, including the current procedure of Open Internet, the Committee has provided to the actors and the public at large a variety of opportunities to contribute to and develop the facts in the agency.

To sum up, we observe that by allowing an unprecedented level in human communications, the Internet has revolutionized how we communicate and how we can contribute, which in turn motivated the remarkable growth in applications and services.

However, its usefulness as a tool for capacity building is only determined by the extent of unrestricted and affordable access to the network and its services that people have, and by the degree of reliability, trust and stability of the services and applications, and the user identity, which is inviolable.

Every Internet user plays a role in Internet development, given its open technical architecture, the open processes for its development, and its distributed responsibilities and functions. The extent to which users play their role is their own choice.

The huge success of the Internet may come as a surprise to many, but it was not accidental. It was the direct result of a visionary approach and deliberate design decisions.

But the success of the Internet is not complete and its future is not certain. We should not think of it as something that has evolved, but rather as something that is evolving. The conditions that made the Internet what it is today are still paramount for its future progress. We must not take this for granted.

Separating the future development of Internet from the processes that developed it implies losing the Internet itself. With this understanding in mind we should tackle the challenges we are all facing with in today's Internet.

As a final conclusion of the seminar, the recommendation is to continue and deepen these spaces for collaboration through courses and seminars, in order to strengthen the three pillars that are necessary for the development of the Internet: Content, Ownership and Infrastructure.