Dec 18 · 5 min read

Net Neutrality and Blockchain: Trouble for Potential Growth?

Net Neutrality Is Our Wake Up Call: We Need Blockchain and Cryptocurrency Now More Than Ever

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I try to refrain from politics in my posts; Republican vs. Democrat, Liberal vs. Conservative is not really relevant in the global, revolutionary world of blockchain and cryptocurrency. But one recent political development in the United States could have disastrous effects for this emerging industry.
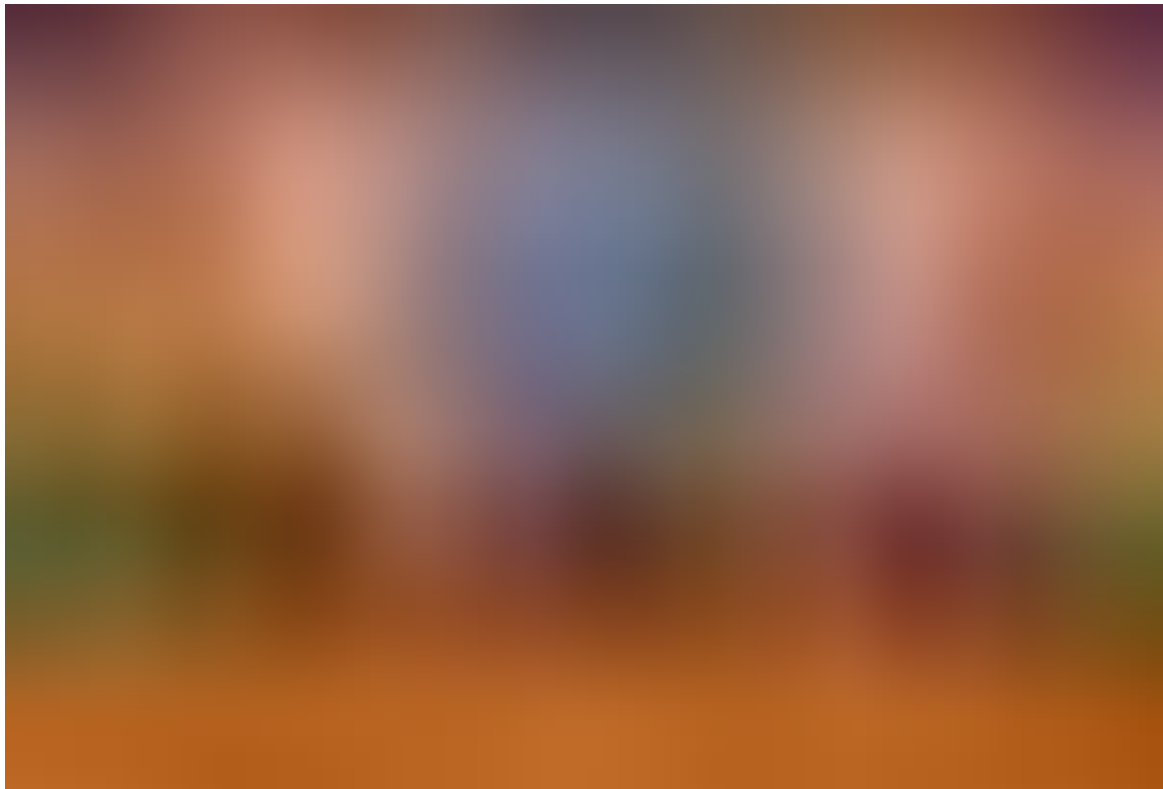

All smiles at the FCC

The FCC voted to repeal their enforcement of net neutrality by a 3–2 vote on Thursday. In 2014, the FCC ruled in favor of upholding net neutrality, but that's gone now.

N et neutrality is the fair and equal workplace of the internet. You know how parents aren't supposed to pick favorites? Without net neutrality, the internet could become the equivalent of Mom taking Becky to a movie while Brian stays home and cleans the toilets—if there's even a toilet left to clean. Net neutrality ensures that service providers—you know, the ones you pay every month and curse when your videos are buffering—can't charge differently for different internet data.

In a simple sense, net neutrality stops companies from slowing down or blocking access to competing sites. What keeps AT&T from creating their own video streaming platform and then slowing or blocking access to YouTube in order to stifle competition? And despite FCC Chairmen Ajit Pai's patronizing assurances, this isn't a hypothetical; ISPs (service providers) have a history of doing this. In 2005, Comcast slowed speeds (throttling) to certain file sharing and torrent sites. In 2014, Verizon blocked access to Google Wallet to encourage users to use Verizon's own *Isis Wallet*. And while a name change certainly would have been a better business decision, the fact remains: without net neutrality, the internet is not a free place. **Today, the internet is not a luxury, it is a basic human right**. No one can legally deny people equal access to water. Critics respond that the free market will ensure that ISPs don't do this—users will object and move to a different ISP.
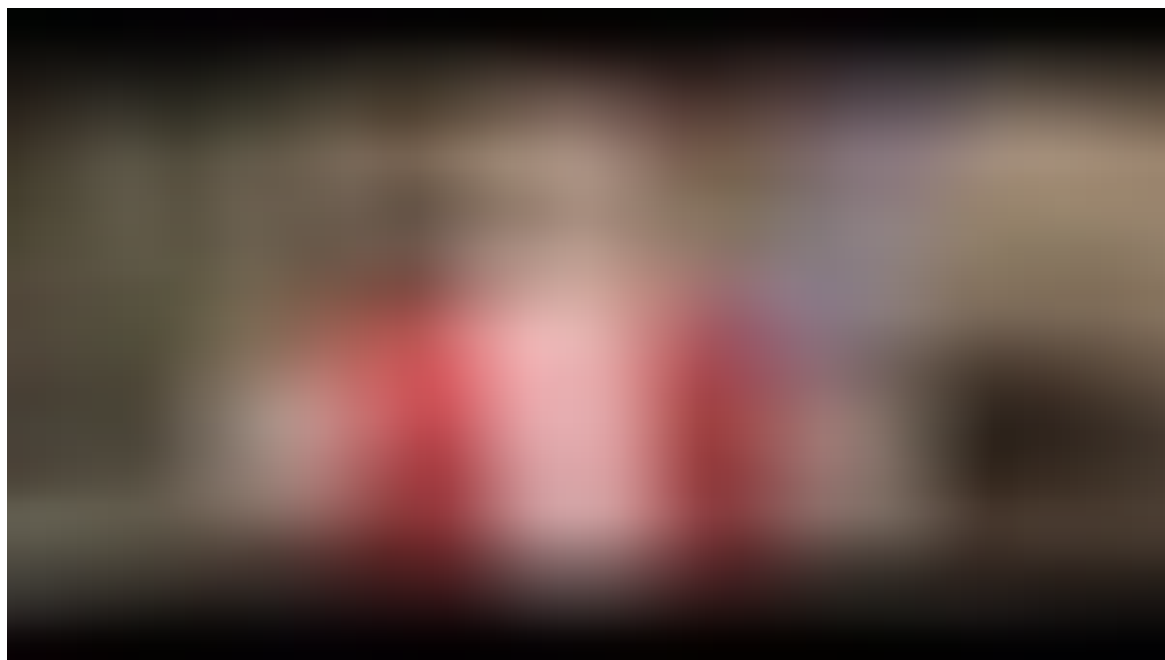
Nothing is more assuring than Ajit Pai in a Santa suit.

T he question then is, is it truly a free market? This assumes that the internet is an open and fair market. **In reality, 51% of Americans only have one ISP to choose from**. For the remaining 49% of Americans,

what prevents the competing companies from internet throttling and removing choice altogether? There is nothing keeping ISPs from providing substandard internet to certain competitor's sites, censoring information, and forcing people to pay expensive rates for their favorite sites. Portugal is already doing this:

In Portugal, you pay according to which sites you want access to

What this means for Blockchain

There is nothing more anti-decentralized than having only one internet provider. With no level playing field, the very fabric of the internet startup and community corrodes.

> "ISPs could potentially have the power to control access to exchanges, the speed of transactions, and even create and prioritize accessibility to their own cryptocurrencies, which is not such a crazy idea when you think of all the places in this country where a single ISP has a monopoly," Justin Tabb, CEO of internet startup Substratum Network, told International Business Times.

To accomplish this would not be difficult. Most cryptocurrency transactions occur via exchanges and ISPs could target exchanges, slowing them

down or banning them altogether. Assuming cryptocurrencies continue their historic rise, ISPs investing in or developing exchanges could limit access to their competition. They could also throttle connections to blockchain websites and the user interface of the blockchain applications. Slowing down the API that the user interacts with would effectively slow the entire application. It doesn't matter how fast and smooth Candy Crush runs if the entire App Store is unusable. The incentive to do this is there, especially to websites like Substratem and others that work towards decentralizing the internet and removing censorship ability.

Decentralized cloud computing and storage companies like Golem and iExec rely on the cloud to coordinate. A slower internet connection for the network users would result in dramatically less productive ecosystems—a potential benefit for their cloud competitors: Google and Apple. **Blockchain will disrupt industries; the more power we give to those industries, the more difficult the adoption battle will be for blockchain.**

Potential Upsides

Net neutrality could push adoption of blockchain as an alternative to ISP monopolies. Ethereum and other blockchain networks could enable on a large scale, a mesh network. Mesh networks are essentially decentralized ISPs, where users connect directly to each other and enable an internet network. Ethereum and other blockchain platforms are perfect for enabling a mesh network and sidestepping ISPs. Blockchain's main use cases revolve around disrupting centralized corporations such as banks and financial institutions; **net neutrality demonstrates that ISPs are yet another important target for disruption**. It also demonstrates that blockchain companies should look for a way to engage and cooperate with governments on this topic. As Mohamed Abedelmalik, Executive Director of the Columbia Blockchain Lab said, "I see [net neutrality] as a clear sign for [the need for] new disruptive technology to work closely with regulators to insure the easiest path to success. The recent issue of net neutrality shows how regulatory agencies can act in ways that are completely at odds with public opinion. It's slightly naïve for developers of blockchain products to think that a grassroots movement is immune to the influence of government."

Conclusion

The net neutrality battle may have been lost for now, but the war certainly has not. **And if there's one thing that this development signifies, it is that the need for decentralization is now more relevant than ever.** The road will be rough, the obstacles large, the resistance intense. But the world needs decentralization. People need decentralization. People need to be empowered again and feel that they have a voice in a system that today ignores them. People need to feel that they have power to protect themselves, their assets, and their future from corporations and from governments who enable said corporations. People need blockchain and cryptocurrency. Net neutrality should be our wakeup call.

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