

AT&T Open Internet Policy Statement

Print

AT&T has long been committed to maintaining an open Internet that provides consumers with competitive choices, and access to lawful websites and information when, where and how they want it.¹ We recognize that the Internet is an essential medium for free expression and communication, for education and creative endeavors, as well as for business activities and opportunities, and are committed to maintaining that medium for all Internet users.² We further recognize that the nation continues to confront significant economic challenges and other critical social policy issues, such as improving economic growth, health care, energy efficiency, protecting the environment and improving educational opportunities for all.³ Broadband development and deployment has a critical role to play in addressing these issues by ensuring that all Americans (and particularly economically and historically disadvantaged communities) have access to the myriad benefits of the Internet and that the Internet continues to be an engine of economic growth, jobs, and productivity.⁴

As we approach new Internet-related business opportunities, design new services, and manage our network, we are guided by and comply with the FCC's *Open Internet Order*, Net Neutrality rules, and our own core standards for addressing the needs of our customers. These standards are:

- **Freedom** - Consumers should be able to openly exchange ideas, content, and information across the Internet.
- **Innovation** - Consumers are entitled to a robust and secure network that enables new services, applications, and devices.
- **Competition** - Consumers have the power to choose the best possible services and innovations.
- **Transparency** - Consumers should have clear and concise information about speed, cost, and traffic management.⁵

The network management practices disclosed on our Broadband Information website (www.att.com/broadbandinfo) are the product of those deliberations, and reflect our commitment to maintain an open Internet and provide our customers the products and services they desire, while, at the same time, ensuring that all our subscribers have the best Internet experience possible.

Indeed, AT&T has played a leading role in the development of our Nation's Internet infrastructure. We have invested billions of dollars to bring high-speed Internet connectivity to millions of consumers across the nation. In fact, between 2007 and 2011 AT&T invested more capital into the United States economy than any other public company. And On November 7, 2012, AT&T announced plans to invest \$14 billion over the next three years to significantly expand and enhance its wireless and wireline broadband networks to support growing demand for high-speed Internet access and new mobile, app and cloud services.⁶ AT&T's planned investments will expand AT&T's state-of-the-art 4G wireless LTE network to 99 percent of the customer locations in its 22-state wireline serving area and to 300 million people in the United States by the end of 2014. We also plan to deploy small cell technology, micro cells and additional distributed antenna systems. These investments will increase the density of our wireless network, which is expected to improve network quality, increase spectrum efficiency and strengthen wireless coverage inside buildings and at large venues like convention centers and stadiums. These investments reflect our ongoing commitment to providing our customers with a state-of-the-art platform for Internet communications.

AT&T is also committed to an open Internet. Although AT&T does not believe that government regulation of the Internet is necessary, AT&T worked with stakeholders on all sides of the FCC's Open Internet proceeding to develop consumer-focused policies that would preserve the vibrant and open Internet that exists today while continuing to give Internet service providers incentives to invest in broadband infrastructure as well as the flexibility to manage their networks to best serve their customers.⁷

The FCC's *Open Internet Order*, which reflected that collaborative process, established rules for wireless and wireline broadband Internet access services in three areas:

- **Rule 1: Transparency.** A person engaged in the provision of broadband Internet access service shall publicly disclose accurate information regarding the network management practices, performance, and commercial terms of its broadband Internet access services sufficient for consumers to make informed choices regarding the use of such services and for content, applications, services, and device providers to develop, market, and maintain Internet offerings.
- **Rule 2: No Blocking.** A person engaged in the provision of fixed broadband Internet access service, insofar as such person is so engaged, shall not block lawful content, applications, services, or non-harmful devices, subject to reasonable network management.
A person engaged in the provision of mobile broadband Internet access service, insofar as such person is so engaged, shall not block consumers from accessing lawful websites, subject to reasonable network management; nor shall such person block applications that compete with the provider's voice or video telephony services, subject to reasonable network management.
- **Rule 3: No Unreasonable Discrimination.** A person engaged in the provision of fixed broadband Internet access service, insofar as such person is so engaged, shall not unreasonably discriminate in transmitting lawful network traffic over a consumer's broadband Internet access service. Reasonable network management shall not constitute unreasonable discrimination.⁸

Importantly, the FCC's *Open Internet Order* appropriately distinguishes between fixed and mobile broadband services. Among other things, the *Order* recognizes that mobile broadband service providers face even more difficult network management challenges than do providers of fixed broadband services.⁹ Mobile broadband networks have limited capacity and confront explosive growth in capacity consumption. The FCC, therefore, focused its Open Internet requirements for mobile Internet access service on ensuring consumer transparency and preventing blocking of certain types of applications.¹⁰

Consistent with the net neutrality rules, AT&T has created a Broadband Information website where, at one convenient location, subscribers and content, devices, applications, and services providers can obtain information regarding the network management practices, performance, and commercial terms of AT&T's wireline and wireless mass market broadband Internet access services.¹¹ For example, we describe the factors that can affect the performance of our broadband Internet access services, with links to sites where customers can obtain more information.¹² We also provide links to sites for detailed information regarding AT&T's rate plans, terms of service, and acceptable use and privacy policies.¹³ And we describe our network management practices, including the measures we take to manage congestion on our wireless network and to guard against a variety of security threats (such as viruses, botnets, distributed denial of service attacks, and spam).¹⁴ We also make clear that customers are free to attach any compatible 3G or 4G capable device of their choice to our broadband Internet access services, provided such devices do not harm our network, and that we do not favor certain Internet applications by blocking, throttling or modifying particular protocols in ways not prescribed by protocol standards.¹⁵

AT&T is committed to providing our customers with the best possible Internet experience, and thus to making available to them the broadest possible range of devices and applications. We recognize that the more we invest to provide innovative and enhanced capabilities and features to application developers and content providers, the greater the opportunity they will have to develop innovative applications, content and services for consumers, which, in turn, will drive demand for our broadband services.¹⁶ To that end, we have adopted practices to facilitate and encourage third-party device manufacturers and applications developers to create innovative new products and services that use AT&T's wireless network,¹⁷ and provide on our Broadband Information webpage links to sites where third parties can access tools and resources to help them design, test and market their applications and devices.¹⁸

AT&T recognizes the interests of and concerns expressed by regulators, legislators, and the public about the importance of maintaining an open Internet, and the many social, economic and other benefits derived from maintaining that medium for all Internet users. We believe that an open Internet also is important to our customers and shareholders, and thus that our open Internet policies and commitment make good business sense. But, as the FCC itself recognized in the *Open Internet Order*, "a flourishing and open Internet requires robust, well-functioning broadband networks, and accordingly that open Internet protections require broadband providers to be able to reasonably manage

their networks.”¹⁹ That may require practices to reduce or mitigate congestion on the network, ensure quality-of-service, or address traffic that is unwanted or harmful to users, among other things.²⁰ Thus, maintaining an open Internet requires a reasonable balance between net neutrality and network management to ensure that all customers continue to have the highest quality of service and best Internet experience possible. As our open Internet policies and practices (discussed above) show, AT&T is committed to adopting policies that strike such a balance, and thus will well position us to confront the competitive, regulatory and legislative challenges posed by this issue.

Important Steps We Are Taking:

As discussed above, AT&T has taken and continues to take a number of significant steps toward meeting these challenges and addressing the interests of our customers, our shareholders, and the public in an open but effective Internet. We believe these steps will help ensure that our service offerings, as well as our network management policies and practices, maintain an open Internet and provide our customers the products and services they desire, while, at the same time, ensuring that they have the best Internet experience possible. Among the more important of these steps are:

- Making major capital investments to expand and enhance our wireless and wireline broadband networks, including our recently announced plan to invest \$14 billion over the next three years. For a description of our current capital plan, see our November 7, 2012, press release at <http://www.att.com/gen/press-room?pid=23506&cdvn=news&newsarticleid=35661&mapcode=corporate|consumer>
- Establishing programs to encourage and assist third party application developers and device manufacturers to create new and innovative products and services. More information about these programs is available at: <http://www.att.com/edo> and <http://developer.att.com/developer/forward.jsp?passedItemId=100006>.
- Pledging to manage our network in accordance with the FCC’s *Open Internet Order* and Net Neutrality rules, and our own four core Internet standards of Freedom, Innovation, Competition and Transparency, which are summarized above and explained in more detail in *Our Commitment to the Open Internet*, AT&T Public Policy Blog (posted Sept. 13, 2010); available at: <http://attpublicpolicy.com/government-policy/our-commitment-to-the-open-internet/>.
- Remaining vigilant to threats against an open and effective Internet. In 2012, AT&T joined Internet content and application companies, civil society groups, the Administration, and Democratic and Republican lawmakers to resist calls for international regulation of the Internet with the goals of protecting an open and efficient Internet, avoiding government gatekeepers from controlling the Internet, and safeguarding the existing and decentralized multistakeholder governance of the Internet.

We encourage our shareholders and other interested persons to review the materials cited in this report. They provide important information concerning AT&T’s continuing efforts to manage the significant policy challenge of pursuing and reconciling the critical goals of neutrality, openness, efficiency and capacity, and to anticipate future competitive and regulatory challenges related to these issues.

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As AT&T addresses developments in the dynamic Internet marketplace going forward, we will continue to apply the four core standards discussed above – Freedom, Innovation, Competition and Transparency – to our Internet-related business decisions in a manner that benefits application developers, device manufacturers and, most importantly, our customers.

1 <http://www.att.com/gen/public-affairs?pid=12898>; AT&T Public Policy Blog, A Consumer-Based Standard for Protecting the Open Internet (Jan. 15, 2010), available at: <http://attpublicpolicy.com/government-policy/a-consumer-based-standard-for-protecting-the-open-internet/>; Cicconi Dec. 15th Letter to Genachowski. http://www.att.com/Common/about_us/public_policy/Summary_Comments_01_15_10.pdf.

2 <http://www.att.com/gen/public-affairs?pid=12898>; Letter of James W. Cicconi, Sr. Exec. V.P., AT&T to Julius Genachowski, Chairman, FCC (Dec. 15, 2009) (Cicconi Dec. 15th Letter to Genachowski), available at: http://www.att.com/Common/about_us/public_policy/JWC_to_Genachowski_12_1_09.pdf (“[P]reserving the open character of the Internet is critically important to ensuring that all consumers have the opportunity to be creators of content and innovators from their homes or their garages.”).

3 <http://www.att.com/gen/public-affairs?pid=12898>

4 *Id.*

5 Our Commitment to the Open Internet, AT&T Public Policy Blog (posted Sept. 13, 2010); available at: <http://attpublicpolicy.com/government-policy/our-commitment-to-the-open-internet/>.

6 <http://phoenix.corporate-ir.net/phoenix.zhtml?i=iro-eventDetails&c=113088&eventID=4841677>, AT&T to Webcast Analyst Conference on November 7, 2012

7 http://www.att.com/Common/about_us/public_policy/JWC_to_Genachowski_12_1_09.pdf; Testimony of James W. Cicconi, Sr. Exec. V.P., AT&T, before the U.S. House Subcommittee on Communications And Technology (Mar. 9, 2011) (Cicconi Testimony), available at <http://attpublicpolicy.com/government-policy/atts-cicconi-on-net-neutrality-before-congressional-hearing/>.

8 47 C.F.R. §§ 8.1, 8.2, 8.3.

9 Open Internet Order at ¶¶ 8, 82-05.

10 *Id.* at ¶¶ 8, 94-96.

11 Broadband Information, Information About the Network Practices, Performance Characteristics & Commercial Terms of AT&T’s Mass Market Broadband Internet Access Services, available at: <http://www.att.com/gen/public-affairs?pid=20879>.

12 *Id.*

13 *Id.*

14 *Id.*

15 *Id.*

16 Letter of James W. Cicconi, Sr. Exec. V.P., AT&T to Julius Genachowski, Chairman, FCC (Jan. 12, 2010) (Cicconi Jan. 12th Letter to Genachowski), available at: http://www.att.com/Common/about_us/public_policy/DOC20100112115713.pdf; Reply Comments of AT&T Inc., *In the Matter of Preserving the Open Internet, Broadband Industry Practices*, GN Docket No. 09-191, WC Docket No. 07-52, Exhibit 3.

17 Reply Comments of AT&T Inc., *In the Matter of Preserving the Open Internet, Broadband Industry Practices*, GN Docket No. 09-191, WC Docket No. 07-52, Exhibit 3.

18 <http://www.att.com/gen/public-affairs?pid=20879>.

19 Open Internet Order at ¶ 80.

20 *Id.* at ¶ 81.