

GLOBAL INFORMATION SOCIETY WATCH 2008

Focus on access to infrastructure



Global Information Society Watch

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Global Information Society Watch 2008

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North America

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Access to an open internet: A basic right for all?

North America² represents a culture with a high level of diversity, gathered around liberal economic values. While the internet was primarily developed for national defence and academic purposes, its public and commercial use has enabled it to become a global communications resource. Telecommunications services in the region are considered universally accessible.³

However, Digital America is a picture of contradictions and tensions. On the one hand, it is fertile ground for monopolies (e.g., Microsoft, Google) but, on the other hand, it has given rise to large and active social network user populations. While it has given birth to imbalanced copyright laws – such as the Digital Millennium Copyright Act (DMCA) – which work to the detriment of authors and users, it has also sparked the free software movement and the Creative Commons.

This report by Communautique, an organisation which promotes citizen participation in the development of the information society, presents salient perspectives about the current North American situation with regard to communications infrastructure. These are intended to serve as a contrast to the other regional reports in GISWatch 2008. The report is based on information from government sources and from various economic and social observers.

Still an access powerhouse...

North America accounts for approximately 5% of the world's population, and currently represents 19% of internet users, with an average North American internet penetration rate of 70% in 2007.⁴ This can be compared to a world average internet penetration of 16.3%.

And the sector is generally robust...

Like the infrastructure, the institutional and non-governmental ICT environment in North America is robust. Network regulation, monitoring and deployment are governed, in particular, by standardisation institutions and authorities such as the Internet Engineering Task Force (IETF) and the International Telecommunication Union (ITU), and by governmental committees, independent organisations and ministries, such as the Canadian Radio-television and Telecommunications Commission (CRTC), Industry Canada, the US Federal Communications Commission (FCC), the National Telecommunications and Information Administration (NTIA), and the US Department of Commerce. Within the existing regulatory frameworks, these entities may work towards several social objectives, such as universal service and access, quality of service, emergency appeals, media pluralism, cultural diversity and consumer protection. Civil society organisations such as Telecommunities Canada and the Trans Atlantic Consumer Dialogue (TACD) ensure public interests are represented amongst decision-makers and political authorities.

But no longer the "access leader"

The status of the region as the "access leader" is being challenged. In 2002, North America had the highest level of high-speed home connectivity in the world, with a household internet penetration rate in Canada twice that of the US. Canada was then ranked third worldwide, and the US seventh (Macklin, 2002). In 2008, more than one in two adults had high-speed home access (Horrigan, 2008). However, development in this region has slowed down in comparison with other regions of the world. In 2008 Canada was ranked ninth worldwide, and the US fifteenth – statistics which have nevertheless been challenged by the US State Department, saying that the ranking did not count all users because it excluded wireless access, amongst other things. According to the most recent survey, conducted by the Oxford Saïd Business School in London and the Universidad de Oviedo in Spain, the quality of internet networks in Canada is well below the global broadband quality threshold and will not be sufficient to support future internet usage (Nowak, 2008). Meanwhile, FCC Commissioner Michael Copps has said that the US urgently needs a broadband strategy to address its access deficit.

Access not the cheapest, either...

Once the mythical benchmark for almost "free" access, access costs are now higher than some European and Asian nations. According to one report (Davies, 2008), users in

1 Antoine Beaupré of Réseau Koumbit, Jean-Claude Guedon, professor of Comparative Literature at the University of Montreal, and Hugo Gervais and Aude Leroux-Lévesque of Communautique also contributed to this report.

2 Here defined as Canada and the United States (US), where the official languages are English, French (in Canada) and Spanish (in certain US states). According to the United Nations Statistics Division, Mexico is a part of Central America, and will be considered as such in this report.

3 According to the Canadian Radio-television and Telecommunications Commission (2007), 98% of Canadian households are subscribed to fixed or wireless telephone services.

4 Internet World Stats: www.internetworldstats.com/stats14.htm#north

the US pay about USD 53 a month for a good-quality, fast service, compared to USD 32 in Germany and USD 33 in the United Kingdom.

Private sector dominates...

Unlike a number of other regions in the world, connectivity in North America is primarily controlled by the private sector: companies such as Cogent, Verizon, SAVVIS, AT&T, Qwest, Sprint, AOL, and Level 3 Communications (L3). These giants have interconnected backbones which redistribute capacity to smaller service providers, which are often the subsidiaries or subcontractors of a single group.⁵ Specifically in Canada, the concentration of networks connecting all users to the internet is mainly made up of a mere five companies: Bell, Telus, Videotron, Rogers and Shaw (Beaupré, 2007).

But at a price

The trend in the commercial strategy of the operators consists of having thousands of ultra-powerful servers interconnected in a cloud (so called “cloud computing”), and offering online content and software services where the core information or service is permanently stored on the servers, and only temporarily accessed by the client. This is, for example, the Google model. It is also one that many fear will end up disempowering the consumer, who may not be able to own or freely access content and software when off-line. Cloud computing potentially gives operators more access to users for advertising, and can tighten their grip on users as a constant source of market data.

Emerging digital divide

Despite North America’s high level of infrastructural development, a regional digital divide is increasingly apparent, and not only in the US. Almost 10% of the population in Canada requires assistive technology applications to use a workstation, and one adult out of two does not have the necessary skills to access online information (Barr-Telford et al., 2005).

For governments in both Canada and the US, the telecommunications sector obviously has an important role to play in the economic and social structure. However, telecommunications infrastructure owners are now faced with the substantial costs of upgrading redundant “last-mile” infrastructures that are already in existence but are outmoded or unsuitable for higher-speed access. Unable to get a return on investments in rural areas, these companies

are reluctant to provide high-speed connections to these areas, and sometimes even attempt to hinder potential competition that might try out new business models.

Convergence and state sovereignty

In a changing social context, and one driven by convergence, media and telecommunications companies are creating powerful conglomerations with telecommunications, media, marketing and financial concerns. These large groups extend their network of influence in areas such as telecommunications, finance, geostrategy, ecology and marketing. Through these spheres of influence, they can exert a kind of quasi-hegemonic control, and pressurise governments. At the same time, governments are attempting to prevent the establishment of monopolies. But they themselves are sometimes contractually linked to private enterprises via the privatisation of some functions of the public administration. Because of this, the question arises of the sovereignty of countries and states in the face of evolving market forces (Wu, 2006).⁶

Net neutrality is under attack...

It is the premise of a free internet that architecture and network operations may not discriminate between applications (or people) using the networks. Attacks on network neutrality affect the foundation of the internet itself. Currently, private networks attempt to give priority to certain data streams, to the detriment of others considered less important or less convertible into cash. However, civil society is getting organised,⁷ while governments are attempting to respond to this new challenge, including with legislation.

But regulation is lagging

The neutrality of the network is being called into question. On one hand, there are the telecommunications giants who are protecting their business models focused on physical infrastructure and, on the other hand, monopoly vendors focused on content control, such as Microsoft. With changes in user habits, such as the migration from cable television to online videos, those responsible for licensing and content are losing control, and must review their approach.

The power of content producers...

Despite the growing digital divide, most individuals in the region have access to bandwidth in excess of their requirements.

⁵ List of cable internet providers, Wikipedia: en.wikipedia.org/wiki/List_of_cable_internet_providers#North_America

⁶ See also the Wikipedia article on “Network neutrality”: en.wikipedia.org/wiki/Network_neutrality

⁷ See for example the SavetheInternet.com Coalition: www.savetheinternet.com

The proliferation of online publications, peer-to-peer sharing, videoconferencing and online video sharing should increase in the future with the development of high-speed access, despite the obstruction by some sectors, notably the music industry. Networked society gives individuals and groups the opportunity to express themselves, and to become producers rather than just consumers of content. The “webconsumer” who becomes a “webactor” takes part in strengthening the social structure by acting outside of the market sphere, and taking part in the production of information-related, often non-merchant goods, such as the exchange and sharing of knowledge and culture. The 2008 presidential elections in the US showed how rapidly citizen producers of content can respond to and comment on current affairs. This is a cause for hope.

But citizen power needs to respond to growing market domination

The power of the market can be overwhelming. According to Ignacio Ramonet, the director of the French monthly *Le Monde diplomatique*, we need to create a “fifth estate” which will allow us to organise a citizen civic force against the dominant market hegemony. The function of a fifth estate would be to challenge the “superpowers” made up of the media and global e-content providers, who are part and parcel of neoliberal globalisation. It is a global media which, in some circumstances, has not only stopped defending citizens, but has sometimes begun to act against the people as a whole (Ramonet, 2003).

Can North America be a global leader?

A fundamental question must be posed in the face of these North American contrasts and even contradictions: can this society be trusted to produce the type of open pluralism that is required by a globalised world to ensure universal access in its truest sense? For the time being, marked by the trauma of 11 September 2001, the region unfortunately shows the signs of favouring repressive measures and institutions over its own republican and democratic traditions. ■

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GLOBAL INFORMATION SOCIETY WATCH 2008 is the second in a series of yearly reports critically covering the state of the information society from the perspectives of civil society organisations across the world.

GLOBAL INFORMATION SOCIETY WATCH or **GISWatch** has three interrelated goals:

- **Surveying** the state of information and communication technology (ICT) policy at the local and global levels
- **Encouraging** critical debate
- **Strengthening** networking and advocacy for a just, inclusive information society.

Each year the report focuses on a particular theme. **GISWatch 2008** *focuses on access to infrastructure* and includes several thematic reports dealing with key access issues, an analysis of where global institutions stand on the access debate, a report looking at the state of indicators and access, six regional reports and 38 country reports.

GISWatch 2008 is a joint initiative of the Association for Progressive Communications (APC), the Humanist Institute for Cooperation with Developing Countries (Hivos) and the Third World Institute (ITeM).

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