

William E. Brown
2017 President

Dale A. Stinton
Chief Executive Officer

GOVERNMENT AFFAIRS DIVISION

Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President & Deputy Chief
for Regulatory Affairs
Scott Reiter, Vice President
Jamie Gregory, Deputy Chief Lobbyist

500 New Jersey Ave., NW
Washington, DC 20001-2020
Ph. 202-383-1194; Fax 202-383-7580
WWW.NAR.REALTOR

July 17, 2017

Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

Submitted via: <https://www.fcc.gov/ecfs/filings>

Re: Docket 17-108 - Restoring Internet Freedom

COMMENTS OF THE NATIONAL ASSOCIATION OF REALTORS®

INTRODUCTION

The National Association of REALTORS® (NAR) appreciates the opportunity to comment on the FCC's Restoring Internet Freedom proposed rulemaking. The Internet has been a driving force for innovation for decades, and NAR's members, their clients, and local communities are benefiting from this innovation every day. The economic growth and job creation fueled by the open Internet is unprecedented in American economic history. For over a decade, the Federal Communications Commission (FCC), under both Republican and Democrat administrations, has fostered this growth.

NAR's members, who identify themselves as REALTORS®, represent a wide variety of real estate industry professionals. REALTORS® were early adopters of technology and are industry innovators who understand that consumers today are seeking real estate information and services that are fast, convenient and comprehensive. In addition, the overwhelming majority of REALTORS® operates small businesses, typically with no more than two principals.

Real estate is the foundation of wealth building for the middle class and a critical link in the flow of goods and services and income for millions of Americans. Accounting for 19 percent of the gross domestic product, (GDP) real estate is clearly a major driver of the US economy. Housing and utilities accounted for \$23 trillion in GDP for 2016. NAR estimates that the sale of a typical home generates approximately \$64,000 in secondary expenditures such as moving costs and brokerage services that flow through the economy.

Streaming video, Voice over Internet Protocol, mobile applications, drone photography and Internet of Things (IOT) enabled smart devices are commonly used technologies in our businesses today. In the future, new technologies, like virtual reality and telepresence among others, will be available that will no doubt require open Internet access. Simply stated, network access free from discriminatory behavior has become fundamental to our members' ability to do business in today's digital economy.

Increasingly, technology innovations are driving the delivery of real estate services and the future of REALTORS® businesses. As a result, NAR supports open internet rules that protect American businesses and consumers by preventing Internet Service Providers (ISPs) not only from blocking, throttling, or discriminating against Internet traffic and prohibit paid prioritization arrangements, but also interconnection issues and other anti-competitive practices covered by the FCC's general conduct rule. As such, we oppose the current proposal to roll back the FCC's 2015 Open Internet Rule.



THE COMMISSION SHOULD MAINTAIN RULES THAT PROTECT THE OPEN INTERNET, ENSURE EQUAL ACCESS AND ENCOURAGE SMALL BUSINESS AND INNOVATION

The NPRM would permit ISPs to engage in anticompetitive practices that are contrary to longstanding principles underlying the open Internet economy that business and consumers have come to expect and which they benefit from greatly. A clear regulatory framework is needed to ensure that an affordable, reliable and accessible Internet remains available to small businesses and continues to foster innovation and economic growth.

The Commission's proposed rules would permit providers of Internet access to negotiate "individualized, differentiated arrangements with similarly situated edge providers" subject merely to a commercial reasonableness standard. As proposed, these rules would radically change the status quo for the Internet and lead to considerable uncertainty, increased costs, and new competitive disadvantages to small and new businesses across the entire economy. The vast majority of NAR's members would likely find themselves out bid by larger players in an Internet "fast lanes" environment.

Additionally, eliminating the Open Internet regulations essentially means ISPs can continue charging consumers for access to the internet while simultaneously charging institutions for prioritized access to those customers. This means information provided by any organization without deep enough pockets to pay the additional fee will load much slower than those with paid prioritization agreements. Today's consumer expects websites to function at optimal speeds, and services to stream data without interruption, creating fast lanes through paid prioritization will severely handicap those businesses who can't afford to pay up to the ISPs.

The Commission should reject rules that would permit discrimination via "paid prioritization" and blocking, and should instead maintain the open level playing field for content providers that has been the status quo for the past two decades. Without an effective bar against unreasonable discrimination in the provision of broadband and interconnection services, broadband providers will have the incentive to harm the ability of edge content providers like REALTORS® to reach consumers thereby crippling their ability to conduct their businesses.

THE COMMISSION'S NPRM THREATENS EMERGING TECHNOLOGIES AND INNOVATION IN THE REAL ESTATE MARKET

The real estate industry is increasing using emerging technologies like drone photography and the Internet of Things (IOT). Without open Internet rules that prohibit discriminatory behavior, these and other technological innovations that benefit the real estate industry may be threatened before their full potential is realized.

Drone Photography

Technological advances have made it efficient and cost effective to take pictures and videos from drones, aka Unmanned Aerial Systems (UAS). Real estate professionals working with residential, commercial and land parcels all benefit from the images and information obtained using UAS technology. This imagery is an incredible tool for homebuyer moving to a different city, buying a second home, or trying to streamline the research process necessary to buy a new home. Many commercial properties or large parcels of land do not lend themselves well to traditional photography. Other UAS applications in real estate include insurance inspections, appraisals, building management, and heat-loss imaging.

Since UAS are network connected devices—disrupted, degraded or blocked service to these devices could significantly reduce their usefulness just as this innovation in the real estate industry is gaining widespread adoption. Consumers would lose the benefit of enhanced aerial photography and drone photographers would lose a source of income.

Internet of Things (IOT)

As consumers increasingly embrace technology on the home front, NAR is playing a lead role in shaping the evolution of the IOT including smart homes, smart buildings and even smart community spaces. Central to these efforts is a new lab in NAR's Chicago headquarters managed by our Center for Real Estate Technology (CRT). CRT Labs provides input on the development of hardware and software real estate applications across an array of technology products including environmental

controls, security systems, connected lighting and more. NAR is also promoting the creation of technology standards among manufacturers that will improve interoperability in a fully integrated smart home environment.

The increased information about homes captured by internet-enabled devices can help listing agents better market their clients' properties, while the environmental data captured by municipal smart devices can help buyers' agents assist their clients in determining the best neighborhoods for their families. In the not-too-distant future, NAR predicts Multiple Listing Services (MLSs) can be augmented with data feeds from outside sources providing environmental information such as traffic and air quality data. In this manner, IOT technologies will create opportunities for MLSs to add real consumer value to the home shopping experience.

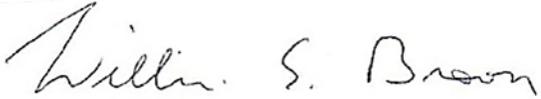
IOT also promises to optimize energy and water utilization in commercial buildings to efficiently meet rising demand and help the environment. Smart buildings strive to improve the comfort, productivity and wellbeing of their occupants. Smart cities enabled by the IOT aspire to provide the benefits of network connectivity on a significant scale.

IOT devices depend upon rapid, efficient connectivity to provide service in the real-time cyber physical world. Even though IOT devices may have smaller data packets, their usefulness is their ability to do real-time monitoring and analysis. If they are throttled, then their value is diminished. Without the level playing field and open networks created by the FCC's Open Internet Rule, we may never realize the true potential of the smart connected world.

CONCLUSION

The benefits of broadband Internet for innovation and economic development are unparalleled. But the nation will lose those tremendous benefits if the Internet does not remain an open platform, where Americans can innovate without permission and with low barriers to launching small businesses and creating jobs. Given this reality, it is important that this Commission work to reserve open Internet policies that promote competition between Internet application and service providers. Only the current open Internet rules give the FCC the authority to ensure that the Internet remains open for all, and can remain a watchdog to stop bad behavior before it harms businesses, consumers and innovation. NAR is ready to work with the Commission on this important issue.

Sincerely,



William E. Brown

2017 President, National Association of REALTORS®