

## Making Love, Not War, With P2P

### Verizon casts itself as a friend to file sharers.

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Verizon's recently reported willingness to play nicely with P2P (peer-to-peer file-sharing) providers has implications for cable operators. Verizon participated in a trial of a "P4P" system designed to deliver faster P2P file-sharing downloads for users. Although Verizon's primary motivation is economic—P4P would reduce the P2P burden on Verizon's Internet backbone by preferentially selecting nearby versus more distant file-sharing peers—this initiative also has regulatory/political and marketing implications.

In the hubbub over "net neutrality," it will be remarked that Verizon is prepared to assist file sharers while cable operators are on the griddle for throttling some users' P2P traffic. Cable's valid technical reason—to ensure quality of service for most network users by managing excessive P2P uploads of a small minority of broadband abusers—may be shadowed by the perception that Verizon is collaborative while cable is adversarial.

In the marketing arena, I expect that Verizon will exploit its P2P-friendly activities as a basis of differentiation for FiOS versus cable. Verizon's marketing message almost writes itself: "For Internet users who love online video, who live for multiplayer games or who rely on large file transfers, Verizon and P2P providers are working together to ensure a level of performance over FiOS that cable can't deliver."

This message will be amplified if it is taken up and repeated by P2P providers and multimedia content publishers who look to P2P to save on networking costs.

Cable operators have a legitimate issue with P2P traffic that jams scarce capacity in the shared upstream channel. Verizon also has some concerns about file-sharing traffic on the local network, and P4P will not deal with this issue. This remains an unresolved challenge for all local broadband network providers.

Even so, it will be to MSOs' advantage to find a way to work with P2P providers. Apart from opportunities that might emerge for cable through more collaborative involvement with P2P, Verizon's reported progress on this front raises the stakes for cable to find common ground with an increasingly important segment of Internet multimedia distribution. The fact that MSOs including Comcast, Time Warner Cable, Cox and Cablevision have joined as Observers in the P4P Working Group is a step in the right direction.

Another notable move on the cable/P2P front was the just-announced agreement between Comcast and BitTorrent to collaborate on traffic management issues. Apart from this worthwhile and timely objective, the most significant outcome from the agreement is political, as stated in the Comcast press release: "Both BitTorrent and Comcast expressed the view that these technical issues can be worked out through private business discussions without the need for government intervention." BitTorrent, at least, has now withdrawn as a potential cable adversary in the net neutrality proceedings.

**Note:** P4P, which stands for Proactive network Provider Participation for P2P, is being developed by a working group of the Distributed Computing Industry Association.

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