



The Daily Dish

The FCC and the Future of the Internet

DOUGLAS HOLTZ-EAKIN, PATRICK HEFFLINGER | FEBRUARY 13, 2017

On Friday House Energy and Commerce Committee Chairman Greg Walden sent letters to various federal agencies asking them to provide any internal studies that identify possible spending cuts. Lawmakers are hoping to work with the agencies to find areas where spending cuts can be achieved. The committee requested that if agencies had not conducted internal cost savings studies that they look to the recent Pentagon report as a model for creating an internal cost savings study of their own.

On Friday President Trump met with Japanese Prime Minister Shinzo Abe to discuss forming an economic dialogue with Japan. Japanese Deputy Prime Minister Taro Aso will work with Vice President Mike Pence to lead a group of leaders from both countries aimed at addressing “strategic and economic issues facing the two nations.” A new bilateral trade agreement that will benefit both the U.S. and Japan is anticipated after the U.S. withdrawal from the Trans-Pacific Partnership (TPP).

Eakinomics: The FCC and the Future of the Internet

Among a number of contenders, perhaps no other Obama-era regulation represents as much overreach as “[net neutrality](#).” Barack Obama campaigned on the alluring principle that everyone should have equal access to content on the Internet, but his Federal Communications Commission (FCC) was struck down twice by the court for its attempts to rigidly regulate the Internet. Then, as president, he strong-armed the (supposedly independent) FCC into classifying the Internet like a public utility (“[Title II regulation](#)”) and imposing an 80-year-old telephone regulatory regime on the dynamic, fluid Internet. As new FCC Chairman Ajit Pai [notes](#) “Before the imposition of these Depression-era rules, we had for 20 years a bipartisan consensus on a regulatory model.”

It is quite likely that instead of enhancing Internet openness and freedom the regulation will [harm the U.S. consumer](#) and the current version of [net neutrality](#) should be undone. But how? As [noted](#) by Reuters, Chairman Pai has been quite discreet about his plans. He could, of course, start a new rule-making process, but would face the requirement of, as former FCC Chairman Wheeler put it “a fact-based showing that so much has changed in just two short years that a reversal is justified.” In the end, that may be just what results.

But as Pai noted, previous approaches to regulating had been bipartisan and conservatives and progressives still share the goal of a vibrant Internet that supports investment in speed, innovation in applications and content, the ability to enter and compete in markets, and fair pricing. A better route forward, in general, would be for Congress to hash out the issues and legislate on the appropriate framework for net neutrality.

Regardless, this is one issue where doing nothing is not an option. The regulation of the Internet ecosystem is too important, and the previous FCC got it too wrong, for the Title II regulatory regime to stay in place.