



The Daily Dish

Net Neutrality is Back

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Amid rising tensions brought about by an increasingly aggressive North Korea, the United States and South Korea have begun conducting joint military exercises. The South Korean navy stated the joint exercises serve as a warning to North Korea in hopes of persuading North Korea to refrain from future military action. On Saturday morning North Korea launched a new ballistic missile test, which resulted in the missile exploding after launch.

Last week President Trump issued an executive order aiming to start the process of repealing offshore oil drilling restrictions that were put into place by the Obama Administration. President Trump stated that under the Obama Administration 94 percent of the U.S.'s outer continental shelf had been closed off to oil drilling. The president said that by rolling back many of the Obama era restrictions on off shore drilling his administration will be "clearing the way for thousands and thousands of high-paying American energy jobs".

Eakinomics: Net Neutrality is Back

Network neutrality was one of the most bitter policy battles of the Obama era, ultimately resulting in the President strong-arming a supposedly-independent Federal Communications Commission into adopting regulation under Title II of the Telecommunications Act. Regulating the internet like a monopoly telephone service in the 1930s was never a good idea. Moving to Title II is a laborious legal task, and the lawsuits already filed will consume years in court. Worse, Title II is stuffed with price regulations and mandates designed to regulate telephones.

New FCC Chairman Ajit Pai has committed the FCC to another approach, that begins with dropping the Title II approach. The path forward could take many forms, but you can be sure that Chairman Pai is on the right track when the New York Times editorial board takes him to task. For one, Pai is kicking the issue of privacy protection back to the Federal Trade Commission (FTC). Importantly, he is taking a second look at the rules and figuring out what is needed. This time around, however, the agency will conduct the proper economic analysis, which the FCC under Obama didn't do.

Put differently, Pai seems to be avoiding the burdensome, top-down, one-size-fits all regulatory approach that impeded investment in broadband infrastructure in favor of a regime that imposes penalties only when there is complaint and a finding of actual harm. Prior to throwing the Title II Hail Mary, the Obama FCC had contemplated a number of approaches. As should have been done in 2015, Chairman Pai went to hit upon an approach that passes legal and economic muster. For a lasting solution, ultimately Congress will need to set the tone and give the FCC guidance.