The Daily Dish

Net Neutrality Redux

DOUGLAS HOLTZ-EAKIN | DECEMBER 1, 2017

Eakinomics: Net Neutrality Redux

Here we go again. Network neutrality — one of the most politically contaminated policy battles of the Obama era — resulted in the President strong-arming a supposedly independent Federal Communications Commission (FCC). Then-President Obama jammed the FCC into adopting regulation under Title II of the Telecommunications Act, regulating the Internet like a monopoly telephone service from the 1930s. As much as one might like the ideal of an open, democratic Internet, Title II offered a future of price regulations and mandates that made sense only if the Internet was a landline phone.

New FCC Chairman Ajit Pai has committed the FCC to another approach, but that has hardly lessened the controversy. This is probably to be expected because Internet freedom is a lot like high quality health care: both sides agree on the desired outcome and completely disagree on how to get there. The Obama Administration believed deeply that a top-down, one-size-fits-all regime of industrial era regulation would ensure a vibrant, innovative, consumer-oriented Internet economy. The lesson of history suggests not, and Chairman Pai is respecting that history.

So, what next? AAF's Will Rinehart offers a few insights. The most important is that the blame game at the FCC is misplaced. I can't say it better than this: "The network neutrality debate has never been about the openness of the Internet. It is about the authority of the FCC to publish rules. Because Congress never gave the FCC the specific authority for network neutrality rules, the agency has been engaged in over a decade of rules and court cases. Indeed, when the 1996 Telecommunications Act was ramping up in Congress, calls for this kind of authority were rejected. Congress alone should solve this problem."

A second important insight is that the perceived threat to openness is out of proportion to actual behaviors. Violations of the open Internet are rare, which the FCC freely admits. It was odd that in promulgating extensive rules, the FCC was simultaneously unable to point to a single example of a clear violation.

As a political matter, net neutrality is back. As a matter of policy objectives, it was never a dispute. As an issue of the policy route forward, get ready for continued dispute. And as for a desire for the right outcomes, one hopes Chairman Pai holds the course.