

A Primer: Just What Is Net Neutrality — and Why All the Fuss?

Here's what you need to know about the fight for an open internet.

Theresa Riley and Joshua Holland

April 25, 2017

The battle over net neutrality is once again heating up. But not everyone has followed this somewhat complicated issue. Here, then, is a primer for understanding what's at stake in the fight for an open Internet.

Just what is net neutrality anyway? Net neutrality is a principle that internet service providers (ISPs) — and the regulators that oversee them — treat all internet traffic the same way. The idea is to keep the net free and open, giving users equal access to any website or application. net neutrality would prevent companies that provide internet access from blocking or slowing down traffic to or from specific sites in much the same way as a phone company has to put through your call, regardless of whom you're calling. Timothy Lee has a simple explainer at Vox. Rob Frieden, a professor of telecommunications and law at the University of Pennsylvania, wrote a more detailed backgrounder on the issues surrounding net neutrality. And Armand Valdez at Mashable offers an accessible, two-minute video explaining the concept.

How does this affect me? As Susan Crawford, a telecommunications policy analyst, <u>explained to Bill Moyers</u>, "For most Americans, they have no choice for all the information, data, entertainment coming through their house, other than their local cable monopoly. And here, we have a situation where that monopoly potentially can pick and choose winners and losers, decide what you see, how interesting and interactive it is, how quickly it reaches you — and then charge whatever it wants"

An open internet sounds like the right way to go — so why is this an issue? Some ISPs want to charge a premium to give content providers a fast lane on the electronic highway. In theory, that could mean a company like Verizon could privilege its own content over a competitor's. Some activists worry that ISPs could also block legal content that an ISP finds objectionable for whatever reason.

Companies like Comcast argue that net neutrality rules hurt consumers. Certain applications are more sensitive to delays than others — like streaming video and internet phone services — and they say that ISPs should be able to charge more for customers who want to pay a premium for priority service.

Others argue that governments shouldn't play a significant role in regulating the internet. Adam Thierer of the CATO Institute, for example, <u>argues that net neutrality</u> rules would "open the door to a great deal of potential 'gaming' of the regulatory system and allow firms to use the regulatory system to hobble competitors. Worse yet, it would encourage more FCC regulation of the Internet and broadband markets in general."

Some key background: Congress had given the FCC broad powers to regulate the internet. But in 2002, then-FCC Chair Michael Powell, a Republican nominee, classified residential broadband as an "information service" rather than a "telecommunications service," which sharply limited its own authority (the former are regulated under a different provision of the law than the latter). Many open internet advocates were angered by the decision, but it wasn't until 2006, when Congress attempted to write net neutrality protections out of the Telecommunications Act, that the public got engaged in the fight. More than a million people took action to stop legislation favored by the Bush administration and Republicans in the House and Senate. Against immense odds, their activism — signing petitions, calling members of Congress and speaking out in town hall meetings — killed a bill favored by the powerful phone and cable lobby.

The issue was bounced back to the FCC where it languished until Obama administration appointee Julius Genachowski put forth an open internet ruling in 2010. Genachowski's rule struck a convoluted compromise between internet users and the broadband industry. It stood on shaky legal foundation and was vacated by the Court of Appeals for the DC Circuit in a 2014 ruling that sent the issue back, once again, to the FCC.

In 2014, FCC Chairman Tom Wheeler announced that the FCC would be deciding the issue once and for all. Prior to the vote, the FCC opened its online comment engine and more than 4 million people took action, writing in their comments and calling the FCC to register their opinions. In February 2015, Chairman Wheeler and the FCC voted in favor of reclassifying high-speed internet access as a telecom service under Title II of the Communications Act. The move was heralded as a great triumph of public activism over corporations that had spent millions on lobbying against the reclassification. But, as Tim Karr noted on our site one year later, nothing in Washington, DC is final.

What's the latest? President Trump tapped commissioner Ajit Pai to be the new FCC chairman in January. Since then, he has moved aggressively to roll back Obama-era consumer protections and other regulations. He has <u>undermined a program that provided low-cost broadband service to poor customers</u>; eased FCC limits on shared service agreements between TV stations in the same market; reversed a <u>rule that limited the number of airwaves any one broadcaster can own</u> throughout the country; and removed caps on <u>fees that ISPs could charge hospitals</u>, <u>small businesses and wireless carriers</u> in markets where there is little competition.

Meanwhile, in March, Congress <u>voted to scrap FCC internet privacy rules</u> that required ISPs to ask for permission before collecting data about users' online activities.

"Recent weeks are prologue, and I am fearful that we are moving in a direction that will unravel and undo some incredible gains we've made for consumers," <u>Mignon Clyburn, the sole</u> Democratic commissioner at the FCC, told *The New York Times*.

Last week, Pai met with Intel, Cisco, Apple and others in Silicon Valley to talk about changes to net neutrality policy. According to *The New York Times*, "The Internet Association, a trade group that represents Facebook, Google and Netflix... <u>urged him to keep the rules intact</u>." *Recode* reports that Pai "will kick off the process to scrap the Obama administration's net neutrality rules on Wednesday, according to four sources familiar with the matter."

Is this just a case of big businesses fighting regulations pushed by grass-roots activists? Not really. Net neutrality is an issue that's united a broad coalition of businesses and organizations from across the political spectrum. But it's true that big businesses on both sides of the issue have spent a lot of money lobbying lawmakers to see things their way. When Congress considered the anti-neutrality bill in 2006, Bloomberg reported that AT&T, Comcast and other opponents of the measure outspent companies that favored neutrality rules — like Microsoft and Google — by around \$51 million. The internet carriers won that vote by a large margin in the House of Representatives, but it was subsequently killed in the Senate after grass-roots activists got engaged.

One of the reasons this remains a charged political issue is that Congress has been similarly deadlocked on net neutrality rules on a number of occasions. There have been five unsuccessful attempts to pass net neutrality legislation since 2004.

So, is real net neutrality dead? Not dead, but it is endangered. Late last month, White House press secretary Sean Spicer indicated that <u>net neutrality might be next up on President Trump's chopping block</u>. He told reporters that the president had "'pledged to reverse this overreach.' The Obama-era rules, Mr. Spicer said, were an example of 'bureaucrats in Washington' placing restrictions on one kind of company — internet service suppliers — and 'picking winners and losers.'"

Pai, who voted against the rule that passed in 2015, has consistently said that while <u>he favors an open internet</u>, he opposes the <u>Title II classification</u>. Tim Karr of Free Press says Pai is essentially claiming to support the principle but opposing the best and only legal framework to make it a reality under current law. "That's like saying I support free speech, but not the First Amendment"

"Pai continues to rail against the successful and essential legal framework of Title II," Karr says. "The Obama administration listened to the millions of people who called for net neutrality when the FCC passed protections in 2015, and not just because it's a popular cause. It's also sound public policy, and it keeps in place the principles that have worked since the start of the internet to keep it an open platform for all comers."

Karr is confident that people will see through Chairman Pai's latest plan to destroy net neutrality. "As they have before, they will fight back in Congress, at the FCC and in their communities, he said. They will use the internet to save the internet — and they will remember where their leaders in Washington stood when the future of net neutrality was in jeopardy."