

# A Captive of the Industry

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"Regulatory capture," in which a government agency falls under the control of the business sector it is supposed to regulate, has never been sought quite as brazenly as this. Verizon and Google have now announced the regulations they would like to have applied to them.

Regulators typically serve narrow private interests at a high cost to consumers -- so will it be on the Internet. Their two-page proposal may not resolve much of anything. But if their plan goes forward, these leading industry players will be there when the statutes are written in Congress and the regulations are developed in the Federal Communications Commission.

Regulatory capture has been around as long as regulation. In the late 1800s, the Interstate Commerce Commission, for example, began reducing competition in the railroad industry, enriching railroad owners at the expense of the public. The Civil Aeronautics Board did the same thing for airlines until Carter appointee Alfred Kahn dismantled the agency in the 1970s.

These agencies didn't serve some "public interest." They served narrow private interests at a high cost to consumers.

The solution is not to double-down on the failed regulatory model. Congress and the F.C.C. have no way to discover the "public interest" in this complex and changing area. And Verizon, Google, and other industry players can't be refused the First Amendment right to petition the government, and that's a good thing.

The best way to pursue the public's true interest is to keep Verizon, Google, and every other industry player in competition, unprotected by regulation. When recent reports suggested that Verizon might strike a deal with Google to prioritize certain content, that plan seemed like it might fail the most important test -- the consumer test. People want a wide-open Internet, and they're in a position to demand it as long as there is competition.

It's certainly understandable that Verizon and Google should pursue a stable regulatory regime. Seeking relevance, the F.C.C. has undercut planning and investment by proposing to regulate the Internet the way telephones used to be. Thank goodness that plan is failing.

Rather than carry out industry-approved regulation, the F.C.C. should just go away. It should have no part of regulating the Internet, even if industry wants it.