

FACT SHEET

Understanding Chairman Pai's Proposal to Dismantle Net Neutrality

Prepared by the Office of FCC Commissioner Clyburn

November 22, 2017

What is Net Neutrality?

Net neutrality is the concept that consumers and businesses should be able to reach the online applications and services of their choosing without interference from their broadband provider. In other words, that all data and all legal traffic that travels over the Internet should be treated equally. This has been a bipartisan bedrock principle for more than a decade.

What is Commissioner Clyburn's position on Net Neutrality?

Commissioner Clyburn has been an unwavering champion of robust, bright-line net neutrality rules that protect consumers against the anti-consumer and anti-competitive practices of broadband providers. The Commissioner continues to believe that the 2015 rules adopted by the FCC are the best way to protect consumers and small businesses while promoting innovation.

Is it true that Chairman Pai's proposal would eliminate Net Neutrality?

Yes. It eliminates all prohibitions against blocking and throttling (slowing down) applications by broadband providers, and enables them to engage in paid prioritization and unreasonable discrimination at the point of interconnection. It ignores thousands of consumer complaints and millions of individual comments that ask the FCC to save net neutrality and uphold the principles that all traffic should be treated equal.

What does Chairman Pai's proposal really do?

- Increases uncertainty for consumers, ensuring that broadband providers could block or throttle at a whim.
- Threatens innovation at the edge, by allowing broadband providers to charge tolls to access their customers.
- Enables offerings that favor the vertically integrated broadband provider's own content and services over those of consumers and innovators who rely on the Internet to grow their own businesses and stay informed.
- Prevents states and localities from adopting any related consumer protections – an action that is likely unlawful.
- Undoes the light-touch, court-approved Title II classification of broadband Internet access service that was modeled on the wildly-successful approach to mobile voice, and returns to an unregulated approach where broadband providers reign supreme and customers with complaints have no redress at the FCC.

- Empowers a federal agency that has never enforced net neutrality protections (the FTC) to manage consumer complaints and ensures that there is no FCC recourse for wronged consumers or businesses.

GLOSSARY

The Office of Commissioner Clyburn provides this glossary to help decipher the jargon used in Chairman Pai's proposal to destroy net neutrality.

What do these terms really mean?

Costly and restrictive laws of a bygone era – The Communications Act of 1934, as amended. Still in force. Has not been repealed or declared unconstitutional.

Cost-benefit analysis –Despite insufficient data and data to the contrary, the Chairman's Order draws conclusions by only accepting self-serving statements made by large broadband providers. It makes no effort to verify these claims against the statements these very same companies have made in filings before the Securities and Exchange Commission. *See* para. 301.

Government control of the Internet – Limited rules applying to the residential broadband service delivered on a broadband providers' own network. It does not include other services offered by broadband providers nor does it include services offered by edge providers (e.g., Google, Facebook, or Netflix).

Heavy-handed regulation – Limited rules to protect consumers and competition that broadband providers do not like. Synonym for “burdensome regulation.”

Market-based policies – Policies favoring little to no regulation for powerful broadband providers.

Network innovation – The ability of broadband providers to charge more for service to both sides of the two-sided market. *See* para. 250.

Utility-style regulation of the Internet – Enforceable requirements that broadband providers act in a “just and reasonable” manner. Paradoxically, it does not involve any legal requirements historically known as utility regulation. *See* “Government control of the Internet”; “Costly and restrictive laws of a bygone era.”

Title II Order – *2015 Open Internet Order* that was upheld in court last year.

Unnecessary and likely to inhibit innovation and competition – Not financially beneficial to broadband providers.

###

Office of Commissioner Mignon Clyburn: (202) 418-2100

Twitter: @MClyburnFCC

www.fcc.gov

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).