



NEWS

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See *MCI v. FCC*, 515 F.2d 385 (D.C. Cir. 1974).

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STATEMENT OF FCC COMMISSIONER AJIT PAI ON PRESIDENT OBAMA'S PLAN TO REGULATE THE INTERNET

Last night, Chairman Wheeler provided his fellow Commissioners with President Obama's 332-page plan to regulate the Internet. I am disappointed that the plan will not be released publicly. The FCC should be as open and transparent as the Internet itself and post the entire document on its website. Instead, it looks like the FCC will have to pass the President's plan before the American people will be able to find out what's really in it.

In the coming days, I look forward to continuing to study the plan in detail. Based on my initial examination, however, several points are apparent.

First, President Obama's plan marks a monumental shift toward government control of the Internet. It gives the FCC the power to micromanage virtually every aspect of how the Internet works. It's an overreach that will let a Washington bureaucracy, and not the American people, decide the future of the online world. It's no wonder that net neutrality proponents are already bragging that it will turn the FCC into the "Department of the Internet." For that reason, if you like dealing with the IRS, you are going to love the President's plan.

Second, President Obama's plan to regulate the Internet will increase consumers' monthly broadband bills. The plan explicitly opens the door to billions of dollars in new taxes on broadband. Indeed, states have already begun discussions on how they will spend the extra money. These new taxes will mean higher prices for consumers and more hidden fees that they have to pay.

Third, President Obama's plan to regulate the Internet will mean slower broadband for American consumers. The plan contains a host of new regulations that will reduce investment in broadband networks. That means slower Internet speeds. It also means that many rural Americans will have to wait longer for access to quality broadband.

Fourth, President Obama's plan to regulate the Internet will hurt competition and innovation and move us toward a broadband monopoly. The plan saddles small, independent businesses and entrepreneurs with heavy-handed regulations that will push them out of the market. As a result, Americans will have fewer broadband choices. This is no accident. Title II was designed to regulate a monopoly. If we impose that model on a vibrant broadband marketplace, a highly regulated monopoly is what we'll get. We shouldn't bring Ma Bell back to life in this dynamic, digital age.

Fifth, President Obama's plan to regulate the Internet is an unlawful power grab. Courts have twice thrown out the FCC's attempts at Internet regulation. There's no reason to think that the third time will be the charm. Even a cursory look at the plan reveals glaring legal flaws that are sure to mire the agency in the muck of litigation for a long, long time.

And sixth, the American people are being misled about what is in President Obama's plan to regulate the Internet. The rollout earlier in the week was obviously intended to downplay the plan's

massive intrusion into the Internet economy. Beginning next week, I look forward to sharing with the public key aspects of what this plan will actually do.