

FCC Ruling on Net Neutrality

As many of you know, on Thursday, February 26, the FCC took action regarding Net Neutrality. By a 3-2 vote, the FCC voted to adopt net neutrality rules to "protect the open Internet." But what does that mean and how does it affect ATSI?

Emotions have been high when it came to the open-internet debate. It may be one of the biggest regulatory stories in years, with groups as diverse as the NAACP and the National Association of Realtors speaking up and lobbying the FCC about the issue.

The proposal was introduced at Thursday's meeting by Julie Veach, chief of the FCC's Wireline Competition Bureau, who said it "would set forth clear, sustainable, enforceable rules to preserve and protect the open Internet as a place for innovation and free expression."

Thursday's vote comes after Commissioners Michael O'Rielly and Ajut Pai asked that the FCC "immediately release the 332-page Internet regulation plan publicly and allow the American people a reasonable period of not less than 30 days to carefully study it."

The [Open Internet Order](#) reclassifies "broadband Internet access service"—that's the retail broadband service Americans buy from cable, phone, and wireless providers as a telecommunications service under Title II. The Open Internet Order helps to decide the question about how the Internet works, requiring service providers to be a neutral gateway instead of handling different types of Internet traffic in different ways — and at different costs.

Some of the basic tenets of this ruling state that the providers cannot "change" streaming speeds or give preference to companies that want to pay for increased speed. This is important because the providers are often in direct competition with companies they

service. Comcast, which owns NBC, provides service to Netflix and a situation may have been present where NBC shows could have faster speeds than say their rival Netflix. This is not necessarily about those two companies but imagine if start-ups and the next “Netflix type of company” had to compete with these giants, it would set up a very uneven playing field.

How does this pertain to ATSI? As our Washington experts analyze the Order it remains that ATSI's primary position is that the USF contribution base should be expanded by requiring ISPs to contribute on the same basis as telephone companies. Giving ISPs the same legal classification as telephone companies automatically requires them to contribute to USF unless the FCC specifically exempts them from doing so. Based on the news releases, the FCC has temporarily exempted them from contributing, but we don't know the basis for the exemption. That is why we need to see the text of the order. We think the reclassification makes it very difficult, if not totally untenable, for the FCC to maintain any such exemption from contributing for very long.

Below are some different stories and opinions about the recent action by the FCC.

[FCC Story 1](#)

[FCC Story 2](#)

[FCC Story 3](#)