

What Tech is Saying – The FCC's Internet Regulation Rules

BROADBAND
for **AMERICA**

Daniel Berninger, Mark Cuban, Charlie Giancarlo, George Gilder, Bryan Martin and Jeff Pulver:

There exists nothing in the record or daily experience to suggest the need to question the long standing definitions that have left the computing sector, the information technology industry, and the Internet ecosystem beyond the reach of the Communications Act. The Title II framework—which predates the transistor and precursors of computing in the modern era—offers neither a track record suggesting confidence nor a basis for regulating 21st century communications. The plan to impose Title II obligations on IP networks reflects an improper attempt to short circuit the legislative process, with the challenges that this process entails, and to bypass enforcement of antitrust laws, without any case of market failure. Whatever the motivations, the Commission makes no attempt to quantify the uncertainty and risk inherent with ending a decades' long policy of leaving IP networks unregulated. (VCXC, [Filing Into FCC Docket 14-28](#), Submitted 1/23/15)

Akamai Technologies, Inc.: “A key factor contributing to this investment and innovation has been the relaxed regulatory environment in which the Internet ecosystem historically has been allowed to operate. While the original principles of Internet freedom—freedom to access lawful content, freedom to use applications, freedom to attach personal devices to the network, and freedom to obtain service plan information—remain valid and must be protected, imposing an additional regulatory overlay could slow innovation.” (Akamai Technologies, Inc., [Filing Into FCC Docket 14-28](#), Dated 7/15/14)

Ericsson: “Finally, Ericsson is concerned about the message it would send to the rest of the world if the U.S. were to determine that broadband Internet access is a common carriage service. Regions of the world that have already applied utility regulation to Internet access would be encouraged to extend that model to affect all players in the Internet ecosystem. In addition, some countries have expressed interest in extending the settlements regime for international telephone calls to data that flows across country boundaries. This argument becomes much easier to make if the policy of the U.S. is to treat Internet communication in the same manner as circuit-switched voice telephony.” (Ericsson, [Filing into FCC Docket 14-28](#), Submitted 7/17/14)

Gary Shapiro, CEO of Consumer Electronics Association: “We commend the FCC for recognizing the path forward involves a free, competitive and open Internet. However, the rules Chairman Wheeler outlined today don't strike the right balance, failing to encourage the competition and investment needed to keep the Internet growing and thriving. There is a need for a reasonable and balanced approach, and reclassification to Title II isn't it. Title II would slow down broadband investment, dampen industry innovation and, ultimately, hurt consumers.” (Consumer Electronics Association, “CEA Reacts to FCC Chairman's Open Internet Proposal,” [www.cea.org](#), 2/5/15)

George Gilder, Tech Author: “Unbeknownst to many, network neutrality can shift Internet progress and control to nations outside the U.S. At a moment of critical transition for all world networks, the U.S. administration is joining global critics of U.S. Internet influence: our content and search providers, our datacenter leviathans, our global net address and domain name registrars, our fiber optic worldwide webs. As a public utility telecom, the Internet would fall under the sway of U.N.-administered treaties and agreements, as specified by the constitution of the International Telecom Union (ITU). Subjecting the Internet to this style of utility regulation sends a strong signal to the rest of the world—including nations like China and Russia seeking greater control of the Internet—that more regulation of the Internet is a wise path.” (George Gilder, “Net Neutrality: Obama's FCC puts Internet, American innovation at risk,” [Fox News](#), 3/18/15)

Gordon Goldstein, Managing Director of Silver Lake: “The latest lunge at more Web regulation puts global Internet freedom and prosperity in jeopardy and fatally undermines decades of bipartisan consensus on America's foreign policy for the Internet.” (Robert M. MoeDowell and Gordon M. Goldstein, “Dictators Love the FCC's Plan to Regulate the Internet,” [The Wall Street Journal](#), 2/17/15)

Information Technology Industry Council: “Today's FCC actions unquestionably mark the most significant steps ever taken in the history of the net neutrality debate. The full text of the FCC's decision has not yet been made public, but when it is made public, we will evaluate whether and how today's action achieved that balance. From what has been made public so far, the scope of the order appears to go beyond the public outcry to ensure Internet users and content are not discriminated against (often referred to

as “the last mile”). *We are concerned by reports that the order also touches on how the wholesale broadband market works, specifically the established relationships between businesses deep in the network that make the Internet function more effectively.*” (Information Technology Industry Council, “The FCC Votes on a Net Neutrality Order,” [www.ITIC.org](#), 2/26/15)

John Chambers, Chairman and CEO of Cisco Systems, Inc.: “It will be down dramatically more, if we don't get our act together on this Title II issue. There's a way to accomplish the goals of both sides. I thought Chairman Wheeler's original approach to this was right on and [the] right compromise in terms of direction. And I think, it's very important that we send a message because you are going to see these service providers flow if not pause completely on broadband buildout, because if they can't make money on broadband buildout, they aren't going to build it out. It's just simple as that.” (Cisco Systems, Inc., [Q1 2015 Results Earnings Conference Call](#), 11/12/14)

Jonathan Spalter, Chair of Mobile Future: “The Chairman's plan to impose overreaching, outdated regulations to the broadband arena will increase uncertainty in the U.S. communications sector and could have grave implications for mobile innovators, investors and consumers ... While we strongly support an open Internet, it is deeply disappointing that the FCC is turning its back on decades of bipartisan, pro-consumer, pro-investment policies that have led to the dynamic mobile marketplace that hundreds of millions of Americans enjoy today.” (John Eggerton, “D.C. Dives Into Title II,” [Multichannel News](#), 2/4/15)

Lloyd Carney, CEO of Brocade Communications: “To use an analogy from the music industry, old IP is the record album; New IP is the iPod playlist: Download any single you want, from any artist you want – hit “play” and enjoy. We will leave it to others to duke it out over net neutrality – the FCC received almost 4 million comments, so the courtroom drama, if the issue goes that route, could be pretty interesting. Meantime, life goes on. And so does life on the Internet. We will continue to do our part, along with the rest of the global networking community, by ensuring that the networks that define and drive our lives—as well as our businesses, governments, academic institutions and more—live up to the hope, dreams and expectations of the planet, every single day.” (Lloyd Carney, “Why a free and open Internet is pointless,” [Fortune](#), 3/15/15)

Marc Andreessen, Co-Founder of Andreessen Horowitz: “1/Enough people asking what I think of net neutrality so I will attempt to answer, but warning, I do not have a clean and simple answer! 2/I think permissionless innovation, nondiscriminatory nature of Internet is of critical importance and must be maintained or strengthened. 3/I also think telco/cable companies need incentives to build far more/better net infrastructure than we have now & be able to make \$ on it. 4/Due to the economics of network businesses, I think these are extremely difficult principles to reconcile & I don't envy the regulators. 5/I further worry about simplistic and politicized nature of much of the debate, which I think is not conducive to navigating complexity. 6/ And I further still worry about the sausage-making of any regulatory process & the likelihood of unanticipated & undesirable outcomes. 7/And generally, I try to spend my time trying to figure out how to bring more/better/ faster Internet to more people in new/different ways.” (@pmarca, [Tweets](#), 10:26PM–10:34PM, 11/11/14)

Mark Cuban, Owner of AXS TV: “Wheeler's net neutrality plan doesn't take into account high bit rate apps and apps that require minimal latency. Those require paid prioritization and not having the option available, or possibly requiring a court battle to get it, could severely damage future advances. Bottom line is that the future of the Internet is not watching movies, it's apps we haven't seen yet, and I prefer not to have the FCC as a consideration in their future. It's far cheaper and easier to start an online company than it has ever been. ‘Don't hurt me big mean company’ is always a compelling populist argument. But in this case, it's not based in reality. There is no way to account for how future FCC commissioners deal with these issues. They could approach it 180 degrees differently with every commission.” (William Turton, “Why Mark Cuban hates the FCC net neutrality plan,” [The Daily Dot](#), 2/12/15)

Peter Thiel, Co-Founder of Paypal and Partner of Founders Fund: “We've been having this (net neutrality) debate for 15–20 years now, so I'm not so sure that this is the exact moment we need it...I'm skeptical that any regulations will make it better. I think the cure will be worse than the disease.” (Squawk Box “Thiel's net neutrality argument,” [CNBC](#), 9/17/14)