STATEMENT ON FCC VOTE BY J. SCOTT HOLLADAY

Institute for Policy Integrity, Economics Fellow

Today, the FCC voted on a batch of tepid new rules. Some net neutrality protection will be provided, but the exclusion for wireless will create barriers to new start-up content providers and chill content innovation over wireless Internet.

The new but not-yet-properly-defined “managed service” exemption may amount to the first step down a slippery slope of non-neutral Internet service. The exemption should be carefully tailored to address only a small number of special categories of applications that cannot operate under the existing open framework.

The FCC rests these decisions on shaky legal ground. Rather than invoke its more robust regulating powers, FCC bases the new rule on legal authority that was called into serious doubt by court decision earlier this year making the long term prospects for the rule quite poor.

###

The Institute for Policy Integrity at New York University School of Law is a non-partisan think-tank that works with advocacy organizations and governments to use economics and law to protect the environment, public health, and consumers.