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Politico
Tech industry's legislation talk puts Democrats in net neutrality bind

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Democrats are taking cable and telecom companies to task over what many consumers have long bemoaned: rising prices and a lack of competition in the industry. According to a broad economic agenda that **Democratic leaders announced Monday** in Berryville, Va., too few Americans have a choice among providers of high-speed Internet, and carriers are all too often content to keep it that way.

The critique of Internet providers comes as the Democratic Party seeks to overhaul its policy platform, shifting away from a defense of its traditional economic policies and toward a slightly more populist agenda, including stricter enforcement of antitrust laws and a push against corporate monopolies. In announcing the **new approach** — which they've dubbed "A Better Deal: Better Jobs, Better Wages, Better Future" — Democrats are signaling they will take a much tougher line on large corporate mergers that they say have contributed to higher prices and less consumer choice.

The proposal highlights massive acquisitions such as AT&T's $85 billion proposed takeover of Time Warner and how it could negatively affect consumers, arguing that whenever two companies wish to merge, they should have to persuade regulators not just that the deal won't harm competition but also that it will also be a positive force in Americans' lives.

It's unclear how the new policy would be put into practice, but the Democratic proposal suggests new merger review standards that would automatically block a deal unless "the merging firms could establish the benefits" of it. Regulators typically look only at a proposed deal's effects on pricing and the structure of a given market.

In another departure, the party's approach would require any merger review to consider the impact of customer data, the control of which can powerfully affect a company's dominance in an industry, Democrats say. If enacted, many of these proposals could make it more difficult for companies to merge, but with Republicans in control of the legislative and executive branches, such legislation doesn't appear to be happening anytime soon.

Survey: More Americans see less media bias — but why?	More broadly, Democrats are banking on their renewed agenda to carry them to victory in the 2018 midterm elections. And with cable and telecommunications companies ranking near the bottom of **consumer satisfaction surveys**, it's no surprise to see Democrats lumping broadband providers with other unpopular industries of the moment, such as airlines and big banks. Many Internet providers have been reluctant to build service out to rural or lower-income parts of the country, because they can't make enough of a profit from them. This has produced what's been called a "digital divide" between Internet haves and have-nots, with broadband access in the United States unequally distributed. Federal policymakers are discussing how to speed broadband deployment in hard-to-reach areas, and businesses such as Microsoft and SpaceX have proposed using new technologies, such as **TV airwaves** and **low-orbiting satellites**, to beam Internet to underserved areas more inexpensively. But until those technologies come online — and perhaps even then — large, established players in the broadband industry will have enormous say over how Americans can get online and at what cost. A spokeswoman for USTelecom, a major trade association representing companies such as Verizon and AT&T, declined to comment Monday. That's why Democrats looking for a comeback in 2018 are focusing so heavily on these types of industries. – ***Washington Post*** ____ The recent "Internet Day of Action," organized by Battle for the Net, underscored that special interests in Silicon Valley, elite advocacy activists and pro-regulation academics care about one thing — controlling the future of the internet by any means necessary. Yet, while they promised to make their online day of disruption loud and unavoidable, the day actually fell somewhat flat, with the Associated Press calling the activities "muted." Make no mistake, advocating for principles you believe in is a noble and just activity. That is not the issue here. But what is the issue is that the Day of Action and activists' larger fight in the net-neutrality discussion isn't a consumer-oriented campaign embodying the best interests of Americans and internet innovation. Rather, it's a waterfall of misleading information that ultimately puts business interests of dominant internet companies over that of consumer choice. This is a complex issue. So let's examine the basics. Make no mistake, advocating for principles you believe in is a noble and just activity. That is not the issue here. But what is the issue is that the Day of Action and activists' larger fight in the net-neutrality discussion isn't a consumer-oriented campaign embodying the best interests of Americans and internet innovation. Rather, it's a waterfall of misleading information that ultimately puts business interests of dominant internet companies over that of consumer choice. Increasingly internet traffic is concentrated with just a few major companies. Netflix, Amazon and Google (including YouTube) account for more than two-thirds of America's internet traffic, much of which is spent delivering video entertainment. These companies have a direct line to your home, yet don't want to build it into their highly lucrative business models to pay for it. In a truly fair and efficient system, these large companies would pay some amount proportional to the traffic they deliver. But in reality, they do nothing of the sort. No wonder they're for regulations that prevent those types of deals. Net neutrality as it stands today — which means internet regulation under Title II of the Communications Act — is neutral in name only. It is not fair or efficient. Thankfully, Federal Communications Commission Chairman Ajit Pai is looking to balance the scales of the internet ecosystem once again. Pai understands just how complex the internet architecture is. In real terms, the internet is now the backbone of many industries and services that rely on connectivity to collect, deliver and transport data in real time. However, Pai's predecessor, Chairman Tom Wheeler, was over-focused on only one segment of this delivery, the so-called "last mile" networks that connect customers and are managed by traditional Internet Service Providers. As a result, the Obama administration and Wheeler implemented Title II. This was misguided for multiple reasons. First, the major internet companies, including Google, have already built their own private networks, clouds and content-delivery networks that bypass regulators and their standards for non-discrimination. It is here, inside their own private networks, that these large internet companies can manage traffic in non-neutral ways to maximize efficiency and lower costs. As a result, they've become increasingly independent of the services of ISPs. So to argue Title II is a necessity to protect their bottom-lines — some of which are larger annually than entire U.S. cities such as Chicago and Washington — makes just no sense.

Second, Title II is like putting an old engine in a new car. It was created in 1938 to oversee the telephone system of that era. Meanwhile, today's internet is constantly transforming, innovating and introducing our world to concepts not even realized a few years ago. To say we are going to regulate it with a rule from nearly 80 years ago is hardly a sensible or logical policy framework.

Third, Title II advocates claim the current regulations protect against potential anticompetitive practices pursued by broadband providers including blocking and/or throttling of online content. However, the Federal Trade Commission already has established antitrust regulations that would prevent and/or legally hold accountable these sorts of actions.

In fact, the FTC's long history of competition enforcement is strong — particularly in the tech space. For example, its suit against Qualcomm shines an important public light on Qualcomm's alleged licensing abuses in the chipset space that will ensure all innovators can gain fair access to essential technologies. For decades, the FTC has proven itself to be the expert competition enforcement agency with a long track record of protecting consumer interests. Regarding the current Title II debate, this will not change.

Net neutrality is a concept that may have political potency, but it is far removed from the core issues of the internet. If Title II regulations continue to be enforced, a significant advantage will continue to be handed out to companies that already have a dominance in the distribution of content and services over the internet. We must encourage regulators to look at what matters and not to be duped by all the sensationalized hype. – ***insidesources.com*** **op-ed**

The Trump administration has ushered in an era of political uncertainty for the tech industry that's proving to be lucrative for lobbyists in Washington. Several of the country's largest technology companies spent record sums on lobbying during the second quarter of the year as they beefed up their lobbyist rosters and began to navigate Washington under a new and often unpredictable administration, lobbying filings show.

Google had its single largest quarter ever with a lobbying bill that totaled $5.9 million. Oracle also posted a banner quarter with $2.79 million spent on lobbying. Apple shelled out a record $2.2 million, nearly double the amount it spent a year earlier. Amazon, Uber and Palantir also hit new heights between April and June. "There's a lot of open questions in terms of where the administration will come down on issues of great interest to these companies, which naturally would drive them to spend money on people who can have impact on their thinking or policy decisions," said Alexander Howard, deputy director of the Sunlight Foundation, a government transparency nonprofit.

Indeed, the tech industry has no shortage of policy priorities under review in Washington. That leaves companies eager to find the right people to make sure policies and legislation are drafted to their liking. The Federal Communications Commission is moving to roll back net neutrality regulations. Congress eliminated Obama-era online privacy rules, and lawmakers have proposed new legislation in their place. Meanwhile, the White House aims to reduce corporate taxes and has started the process of renegotiating the North American Free Trade Agreement. "There's a window of opportunity to move the ball forward on major priorities like tax reform, digital trade and regulatory reform that will help grow the economy," said Alex Burgos, vice president of federal policy at TechNet, an industry trade association. "To do that, you have to engage."

But the rules of engagement have shifted. The tech industry's relationship with the Trump White House has been tenuous, especially when compared to the cozy relationship it enjoyed under President Barack Obama. Tech leaders gathered at the White House to discuss federal I.T. modernization in June, but some of the same executives who attended those meetings have clashed with the administration on climate change and immigration.

What's more, many tech companies have individual issues pending before regulators. Amazon, for instance, is facing calls for an antitrust review of its proposed purchase of Whole Foods. The uptick in lobbying spending also reflects the fact that President Donald Trump was not a known political entity when he arrived in Washington, industry advocates said. It remains unclear how he will handle many policy matters, particularly those that received little to no attention on the campaign trail. "This is an administration without a long history of policy positions," said Andy Halataei, senior vice president for government affairs at industry group ITI. Companies "really can't take anything for granted that a particular outcome is going to happen based on past circumstances."

Other big-name tech firms posted modest spending increases in the second quarter. Facebook was up nearly 9 percent to $2.38 million for the quarter, a handsome sum but not a record. Microsoft held flat, compared to the second quarter of last year, at just over $2 million. Lots of activity can be wrapped into companies' quarterly lobbying disclosures, so not all of that money went into lobbyists' pockets. In addition to payments to in-house and outside lobbyists, the figures also include some legal fees, association dues and overhead costs, among other expenses.

Nevertheless, many companies spent the early part of this year taking stock of their Washington consultants and loading up on those with influence in the new political climate. Facebook recruited Sandy Luff, a former legislative director for now-Attorney General Jeff Sessions, to join the company as director of executive branch public policy in May. In April, Lyft retained Eris Group's Travis Johnson, a former senior legislative assistant to now Health and Human Services Secretary Tom Price.

Also in April, Google added lobbyists from Holland & Knight, Cornerstone Government Affairs, Hunton & Williams and Lincoln Park Group. Apple hired DLA Piper to work on tax issues. Just this week, Uber hired Brian Ballard and Daniel McFaul of Ballard Partners, while Amazon tapped Robert Wasinger at McGuireWoods. All three lobbyists held positions on Trump's presidential campaign or transition team.

The increased level of lobbying seen in the second quarter may well continue as the administration presses its agenda forward, advocates add. “It's important to help shape policies from the onset, but as we get into crunch time on some key issues like tax reform and trade, it will be even more important to engage and make sure the industry’s views are heard," Burgos said. – ***Politico***

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