**Consulting Report on Policy Influence**

**IST 618**

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A Case for the Continuance of Net Neutrality

**Introduction**

The regulations of Net Neutrality prohibited Service providers from discriminating against content and users. Without those mandates, these service providers possess the legal ability to offer preferential treatment to companies, essentially opening up fast and slow lanes of the Internet, and at a user level, they have hinted at the idea of a tiered structure [6]. Net neutrality, tying into the access portion of this course, is the idea that internet service providers can’t discriminate digital information or data in regard to users, content or method of communication [1]. Often times, the same argument that one side makes is used in the opposing side’s justification of their position, developing a polarizing issue that has consumed American internet users, and the American public in general, for the better part of this decade. Namely, we look at innovation, a sometimes intangible, conceptual notion that is used on both sides of the debate. Proponents of the founding principles of the Obama era’s mandates believe that the unfettered access and use of the internet spurs a free-market economy, disallowing the idea that only the big fish can compete in an increasingly digital landscape - A recurring point is made amongst supporters that if the ISPs were suddenly allowed to charge internet services, the impact would be drastic for startups, unable to afford such fees [3] . Ajit Pai, the FCC’s chief, along with major internet service providers posit that the current mandates detract and diminish innovation and investment in broadband, ultimately leading to fewer jobs and less opportunity [2].

I will be taking a position in support of the now-defunct rules of Net Neutrality, as I deem a free and open internet a foundational aspect of American culture and economic growth. I chose this hot-button topic due to the recent rollback of the Obama era regulations (June 11th) which ultimately lifts the restrictions that barred Internet providers from engaging in activities that moderate and control the typical Internet experience [5]. My arguments will advocate for the abrogation of the current ‘rules’ of the internet that come along with the repeal of Net Neutrality, in its current form.

~~I side with Net Neutrality because it is an inherent right of the American public. Much akin to the ideals of the First Amendment, unbridled Internet access should be a Constitutional right.~~ Each and every American’s digital freedom should be guaranteed, and their intellectual curiosity unabridged by government oversight and overreach. A tiered structure would work by putting the ISPs into the ‘end to end paradigm’ as a middleman, ultimately managing the entire situation - If the content provider suffers the escalated rates, the cost will be passed on to the end user/customer. If the content provider refuses to pay, the end user is still impacted, as their service is left slower and degraded [7]. It seems like a lose-lose situation, where the companies can either alienate their customer base by introducing increased pricing schemes, or they can alienate them by being unable to compete with the same speeds that some of their more well-funded competitors are able to afford. There is also an inclination to believe that an internet acting, and operating, with a gatekeeper (ISPs) would have the ability to suppress, intentionally or unintentionally, peoples’ right to free speech and assembly, in a digital sense. When free speech is limited there are economic and political ramifications. Such potential censorship could lead to the very economic decline that proponents against Net Neutrality view as an infringement on innovation. Speaking of innovation and economics, we must look at the far-reaching impact that a tiered structure, as noted earlier, would have on small businesses. Net Neutrality prevented that pay to play paradigm, which allowed small businesses and startups to compete in their own segments without being squashed by large corporations. With a tiered structure, these businesses would be relegated to the lower rung, as “77% of small businesses rely on personal savings for their initial funds” [8]. With a lower barrier to entry and increased competition, we have a landscape where these smaller companies are pushing prices down for the American consumer, breeding enhanced innovation, and fostering a free-market economy. It should also be noted that a poll before the recent repeal suggested that 83% of respondents were in favor of the existing rules, suggesting that the repeal coincides with some of the problems associated with the public interest theory [9]. Namely, the issues related to an inability to satisfy everyone, and the idea that political entities are not neutral [10]

**Stakeholders**

As the First Amendment reflects, we are allowed to formulate, support and pursue our own interests as citizens of the United States. Because this section is referring to stakeholders, it is valuable to understand what interest groups and lobbies are, as they will be ever-present on both sides of any major political issue. An interest group is “a group with a common interest with the objective of influencing government” [10]. They are pursuing such objectives with the explicit intent to influence Congress, and to ensure that there isn’t an inadequate distribution of power on any one side. The idea is that walking together, pooling resources, is a more effective tactic than going it alone. This can be done at professional level, or a grassroots level, where there are mass gatherings, and protests, by the citizens who are most impacted by a piece of legislation. The Net Neutrality fight is comprised of both professional interest groups as well as grassroots movements. Being a two-sided issue, we must look at the stakeholders of both the supporting and opposing positions regarding Net Neutrality. As is the current political landscape, money talks, and ultimately works to shift policy. On the supporting side, we have most major tech companies, like Google, Facebook, YouTube and Microsoft, to name a few. Google is undoubtedly the behemoth when we talk about gross spend on lobbying from tech companies- In 2014, Google spent $16.8 million, while in 2016 Microsoft spent $8.7 million[11]. Couple these public entities with the grassroots movements that have spread online, particularly on sites like Reddit, and you have your supporters of net neutrality. The large companies are fighting to ensure that they don’t have to pay a more sizeable slice when accounting for a majority of the bandwidth [12], and the consumers are fighting to ensure that their internet experience isn’t discriminated against, and that they aren’t subject to the trickle-down effect when, or if, the pay to play scheme is activated. When we look at the opposition, we see the main Internet Service Providers, such as Comcast, Verizon, AT&T and the NCTA (National Cable & Telecommunications Association). In 2016, these influence-wielders donated more than $10 million to congressional candidates alone. They were also extremely active in donations to the House and Senate across the board, and they all field a lobbying force of at least 75 people, some former members of Congress [11]. It quickly becomes apparent through research that these tech conglomerates are being outspent and out-lobbied by the Service Providers, and that could be the reason for the recent repeal of Net Neutrality.

**Financial Resources**

The Marxist Approach suggests that corporations possess the resources to lobby government, and can ultimately influence policy with money. While electioneering communication is prohibited, a Supreme Court decision was made that it was against the First Amendment to

restrict or limit corporate funding of political broadcasting [10]. As such, political influence can be rewarded for campaign contributions, potentially shaping policy. The asynchronous material for week 10 presents statistics that counter a correlation between an infusion of cash by corporations and their success in lobbying for political activity. As was mentioned in the previous section, both ISPs and tech corporations on opposing sides of the Net Neutrality issue are pumping money into this debate. “Of the 535 members of Congress, 495 (or 93 percent) have received campaign contributions from groups who lobbied the FCC on net neutrality. Those members included 265 Republicans, 228 Democrats, and two Independents – Sens. Bernie Sanders of Vermont and Angus King of Maine” [13]. Because the donations and lobbying expenditures are so high already, I don’t necessarily see a way in through contributions. The ISPs view is that this is a situation where they could ultimately capitalize immensely on the implementation of a tiered structure, so they aren’t overly concerned with spending money in the short term. The tech companies are spending money now to avoid spending it later, and to coincide with the vast public support of the issue and enforce a sense of customer loyalty. One thing that became apparent through my earlier research was that the tech companies generally favored donations to Democrats in the House, Senate, and Congress, while ISPs were more supportive, seemingly, of Republicans [11]. It would seem possible that if the tech companies were to increase their support, financially, of Republicans, who currently control the House and the Senate, it could increase their political power. I personally think that public outcry will be a critical factor, potentially more than large-scale political donations, in the decisions to come regarding the fate of Net Neutrality.

**Personal Relationships**

Countering the Marxist approach, the political science approach focuses more on relationships and influence over money when it comes to influencing policy. The revolving door is a concept that suggests that many lobbyists are effective at instituting shifts in public policy due to their knowledge of the inner workings of government from their time working there [10]. Because the ISPs are the dominant stakeholders regarding the opposition of Net Neutrality, they are lobbying for influence in the House and in the Senate, who is also benefiting monetarily from the engagement, making them stakeholders in the policy as well. These politicians are reliant on lobbying expenditures for campaign financing and voter outreach but are sometimes ignorant of the widespread impact of the policies they are in favor of. We can look at voting records, along with contributions and donations from the latest election cycle to see which members of Congress were lobbied by anti-Net Neutrality entities. Because the telecommunications industry lobbies for policy not regarding Net Neutrality, it is difficult to isolate exact spending. However, we can derive patterns, and see which members of Congress might be the most susceptible to lobbying efforts in their own decision making. We could also share this information with the general public to inform them on which way their leaders are voting. By educating them on the decisions that are being made for them in opposition of their beliefs, we could incite awareness and a large scale response by constituents. To establish a relationship, it would be critical to recognize the issues from their side and try to point to potential economic hiccups associated with the commencement of the repeal. Again, money talks, so we need to position our arguments and contextual evidence around the idea that the repeal of Net Neutrality in its current form may lead to alienation of internet users across America, not to mention the repercussions of voting against their respective districts’ popular opinion on the subject matter. If we could enforce the idea that they are voting against the American public’s interest, and it would hurt them in the next election cycle, we could maybe institute some semblance of rationality.

**Economic Theory of Regulation**

The economic theory of regulation talks about the effectiveness of an interest group in terms of resources, size, location, and the homogeneity of its members [10]. Approaching this from a perspective of a grassroots effort, it would be essential for our group to be large. If the group was too limited, it might not be able to successfully have its voice heard, and if our voice is muzzled it would be tough for us to gain traction and reach a more substantial audience, or reach the government in relation to our policy. The locations of the members would hopefully be far-reaching across the United States, as we would need some level of influence in each state to contact and represent our perspectives to leaders of their districts. Our interest party would have to be congruent in our cause. Free-Riders, in our case, would be those Americans that are against the repeal of Net Neutrality but are instead relying on the actions of others without direct contribution. Benefits and small groups would likely not work in our situation to encourage activity and detract from the problem of free-riders, but we could push coercion. Often, the suggestion of a sense of urgency and impending economic response at a personal level is enough to encourage some level of engagement. Whether you want to argue about hypotheticals of what ISPs might do is irrelevant, as we all need to be supportive of the fact that they shouldn’t be able to transform the digital landscape in its current form

**Information**

There is a case to be made that information can influence policy more than money can. When members of congress aren’t well equipped to make decisions, we call that information asymmetry. It is not realistic to think that regulators have the time and knowledge to be subject matter experts of all policy, and as such, providing information can be a pertinent tool to influence political activity [10]. First, we need to stress the importance of Net Neutrality when we talk about small businesses. Without regulations disavowing discrimination, we could have situations where small companies are simply unable to compete with corporations because they won’t be able to afford a tiered structure, as mentioned earlier. There would also be implications related to price fixing and limiting supply, where the ISPs might join to provide broadband access and service at a singular rate to push the price as high as possible. In this case, the oligopoly formed by the group of ISPs could be considered a cartel [17]. We also need to look at the economic implications incurred by the end user, or the consumer. If the content providers are having to compete in such a tiered structure, it makes sense that they have to make up for those costs on their bottom line by raising prices. Without viable competition, eliminated in the first point, we would likely see a systematic shift from the current landscape, whereby average consumers might become disenfranchised with the Internet in general. Lastly, we need to talk about the statistics that are reflected by surveys and websites like battleforthenet.com. It can be seen through these samples that the majority of public consumers don’t view this as partisan politics - They see this as an infringement on their rights. If we could stress this enough, and make politicians realize that they might be alienating their voter base for upcoming elections, we might influence change.

**Cyber**

From my own personal experience, I see Reddit and Facebook being used heavily in the fight for Net Neutrality. Reddit has a very devoted following in the fight, and they consistently influence their followers to call their local leaders and engage in an attempt to influence policy. These tools are effective because you can reach a vast audience at the tip of your fingers, and you can build your grassroots efforts across a wide network that varies in proximity, which is a fundamental aspect of the Economic Theory of Regulation. I see levels of both information strategy, where some are providing information to others, as well as Constituency-building, where large-scale protests are being organized. A popular website called battleforthenet.com allows for you to email congress by sharing some basic PIIs in under a minute. They also organize phone calls and text messages to local leaders across the country in their efforts to fight against the repeal. Looking at the site now, I see that over 16 million emails have been sent through the website, which is one of many in the coalition [15]. If the recent decision is to be overturned, it will likely be influenced by the people on the very Internet they are fighting to keep open and free.

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