

WASHINGTON WATCH

Net neutrality concerns raised in House FCC hearing as agency remains deadlocked

Thursday, March 31, 2022 4:43 PM ET

By David DiMolfetta
Market Intelligence

Federal communications authorities and lawmakers on both sides of the aisle agreed that all Americans need to be connected to the internet, but some partisan broadband issues were in the air at a March 31 hearing.

All four sitting commissioners of the U.S. Federal Communications Commission testified to the House Energy and Commerce Subcommittee on Communications and Technology. The hearing marked the first with agency leader Jessica Rosenworcel officially helming the FCC, following a nearly year-long window in which she served as the agency's acting chairwoman. It also served as Nathan Simington's first testimony to a Congressional panel as a commissioner.

One major topic of conversation at the hearing was the question of whether the FCC should reinstate net neutrality protections that had been implemented under the Obama administration and then later repealed during the Trump administration. President Joe Biden has called for the protections to be put back in place, a move that would likely require the FCC to reclassify broadband as a Title II service.

Title II classification would give the agency more regulatory authority over broadband service providers such as Comcast Corp. and Verizon Communications Inc. Proponents say it would prevent internet service providers from blocking or throttling access to content, while opponents argue it serves as an obstacle to internet development and innovation, as Title II would also give the FCC the authority to impose rate regulations.

"I support consumer protection but don't believe that that is the place we should go in order to manage the broadband industry on a going forward basis," Rosenworcel told Rep. Cathy McMorris Rogers, R-Wa., when asked about rate regulation. All three other commissioners agreed.

Republican Commissioner Brendan Carr in his testimony said that the Title II regulations stifled broadband investments in America and aboard, adding that the U.S. would be better off without net neutrality laws.

Rogers expressed interest in collaboration between her House colleagues and the FCC to pen permanent net neutrality legislation, though she did not hint at any efforts being made.

"I'm most concerned about the FCC acting without Congress' authority," she told S&P Global Market Intelligence outside the hearing room. "I believe that if this decision is going to be made, it's going to be important to work through the legislative process."

The House and Senate have each considered net neutrality legislation in past Congressional sessions, but such bills were unsuccessful in passing in both chambers. Both Republican and Democrat FCC officials have supported permanent legislation addressing Title II matters, though Democrats have stressed the FCC cannot wait for Congress to act.

The FCC under the Biden administration will need a 3-2 Democratic majority in order to pass a net neutrality rulemaking. Biden FCC nominee Gigi Sohn has faced a lengthy confirmation process as Senate GOP members have made efforts to push back on her past involvement in public interest organizations and her decision to recuse herself from certain commission items. A vote to discharge her from the Senate Commerce Committee has yet to be put on the Senate schedule.

Sohn, in previous testimony to the Senate Commerce Committee, made clear that she had no interest in regulating broadband rates if confirmed as a commissioner.



Committee Chairman Frank Pallone, D-N.J., applauded the commission's mostly bipartisan efforts to increase internet access to Americans during the pandemic but stressed that the FCC needs to have a complete lineup.

"The FCC has accomplished a lot over the last year, but there is so much more it needs to do — especially when the agency finally has a fifth commissioner. I hope that seat is filled quickly," Pallone said in prepared remarks. "It is past time that the FCC assume its place as the agency with expertise to oversee broadband service providers."

The March 31 oversight hearing also unpacked bipartisan topics the FCC has been handling, including the agency's continued effort to clamp down on foreign tech and telcos that pose a risk to U.S. national security, as well as broadband mapping and the digital divide.

This article was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global.