



Written by [Bob Adelman](#) on February 3, 2015

## Obama's FCC to Issue "Net Neutrality" Rules on Thursday

Following President Obama's lead, FCC Chairman Tom Wheeler [will announce new rules on Thursday](#) changing Internet providers from "information services" to "telecommunications companies" in order to impose the president's demand for "net neutrality" rules onto them.

The Federal Communications Commission regulates telecommunications companies with a heavy hand, but five previous attempts to force Internet providers into the net neutrality category have failed, having been met with stiff resistance, especially from the courts. Now, however, major players are forcing the issue for another try.



All of which reflects President Obama's passion to leave no aspect of what's left of the free economy unregulated. In November he characterized the "paid prioritization" some Internet service providers (ISPs) are using as unfair and needing remedy. Those providers allow heavy users faster speeds but at an additional cost. The president wants the FCC to force them instead to "treat everyone equally." Reflecting his totalitarian mindset, Obama insisted:

We cannot allow Internet service providers to restrict the best access or to pick winners and loser in the online marketplace for services and ideas....

If a consumer requests access to a website or service ... your ISP should not be permitted to block it. Nor should ISPs be able to intentionally slow down some content or speed up others ... based on the type of service or your ISP's preferences.

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In other words, instead of letting the free market sort things out, with competition resolving these issues in favor of the consumer, Obama and Wheeler think the government is better qualified to make those decisions by turning the Internet into a utility.

A few months ago Google and Twitter, along with a number of other high-profile Internet companies (Airbnb, Amazon, eBay, Facebook, LinkedIn, among others), started a massive social media campaign to pressure the FCC into adopting what the president has wanted all along. The Internet Association's "comments," [carefully crafted](#) to appear persuasive to the commission, comprise nothing more than a demand for government regulation of the free market. On page 16 of the 23-page document, the entire proposal boils down to this:

The Internet association encourages the Commission to ... [announce rules that] should prohibit broadband Internet access providers from charging a content, application, or service provider for enhanced or prioritized access to [their] subscribers.

Without those rules, continued prioritization by ISPs would be disastrous, said the document: "Allowing for prioritization will introduce artificial barriers to entry, distort the market, and discourage



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innovation.”

This is pure baloney, wrote Michael Rozeff, retired economic professor and professor emeritus, Finance and Managerial Economics Department, at the University of Buffalo. “What they’re lobbying for,” he declared, “is price controls and product controls. Net neutrality means price and product controls.”

Robert Wenzel, editor and publisher of the *Economic Policy Journal*, said such rules would have to be enforced by threats:

Net neutrality is the idea that Internet service providers should be forced by government to treat all data on the Internet equally — that is, the government plays the role of enforcer by not allowing ISPs to discriminate or charge differentially by user, content, platform, application, type of ... equipment, [or] modes of communication....

The government should keep its hands off ISPs and allow them to operate any way they want. The ISPs ...are providing a service and should be allowed to ... provide their service in any fashion they choose without interference from the government.

Senator Ted Cruz (R-Texas) calls net neutrality “ObamaCare for the Internet.” Even House Speaker John Boehner (R-Ohio) saw what’s really afoot: “Net neutrality is a textbook example of the kind of Washington regulations that destroy innovation and entrepreneurship,” he asserted.

The proposed rules will be scrutinized and likely challenged once again in court. Said Senator John Thune (R-S.D.), chairman of the Senate Committee on Commerce, Science and Transportation, “[The FCC’s] previous efforts to create rules to regulate the Internet were struck down by the courts. It’s hard to imagine that its new attempt will escape legal challenges.”

Aside from crippling innovation and expanding the power of the FCC in places where Congress has repeatedly said the agency has no place being, the real threat is the “camel’s nose” pushing its way into the tent. Once there, the camel — the expansion of regulatory authority to remedy other real or perceived injustices — will come inside to live there permanently. As a spokeswoman for Senator Cruz tweeted, “Net neutrality puts government in charge of determining pricing, terms of service, and what products can be delivered. Sound like ObamaCare much?”

Photo of an Internet Service Provider installing fiber cable under the streets of Manhattan: Shuli Hallak

*A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at [www.LightFromTheRight.com](http://www.LightFromTheRight.com), primarily on economics and politics.*



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