

Nebraska firms argue pros, cons of FCC's net neutrality decision

By Janice Podsada and Paige Yowell / World-Herald staff writers | Posted: Friday, February 27, 2015 1:00 am



Tom Wheeler, Jessica Rosenworcel, Jessica Rosenworcel

FCC Chairman Tom Wheeler, center, joins hands with FCC Commissioners Mignon Clyburn, left, and Jessica Rosenworcel before the start of their open hearing in Washington, D.C., on Feb. 26, 2015.

Telecommunication and cable companies that serve Nebraska expressed disappointment at the Federal Communication Commission's vote Thursday to regulate the Internet as a public utility.

An Omaha startup, however, applauded the vote, saying it will make sure small players can't have their Internet access restricted by bigger players.

Cox Communications

The FCC decision “is an unnecessary government overreach that goes beyond net neutrality protections and is a risk to the Internet,” said Percy Kirk, the company’s senior vice president and central region manager.

He said the decision could open the door to new taxes and higher consumer costs. The inevitable court challenges could cause uncertainty that would damage future investment and innovation, he said.

Cox fully supports and follows the net neutrality principles of no blocking, nondiscrimination and transparency, Kirk said. Cox advocates congressional action to “deliver permanent net neutrality protections that we all support.”

Flywheel, an Omaha webhosting company

Local entrepreneur Dusty Davidson, a Flywheel co-founder, said everyone in his office was excited when the news of the vote came Thursday. He said he and his co-founders remain on the side of an open Internet.

“If there was a world in which a tech startup had to pay for access — pay to play — you run the risk that the next Netflix and the next Amazon and the next Google can't even enter the market because they can't afford to compete with the established players,” Davidson said. “Virtually all of the innovation on the Internet as it exists has been a result of the fact that anybody, whether you're a student in a

dorm room or a Fortune 500 company, competes online in a level way.”

CenturyLink

CenturyLink believes the FCC could have prohibited the blocking or degrading of lawful online content without stifling innovation, said Steve Davis, the company’s executive vice president for public and government relations.

The FCC, he said, will be “regulating the Internet as a utility under a 1930s regulatory regime that has no place in the 21st century economy.” He said his company looks forward to working with Congress on net neutrality legislation “that protects consumers and doesn’t smother the growth engine of our economy with obsolete regulations.”

FCC actions on net neutrality and other issues “will make it harder for broadband providers to deploy fiber in their networks and offer the higher speeds and better performance levels customers demand,” Davis said. “The end result of these new regulations is that Internet innovation and investment will suffer.”

Gus Hurwitz, University of Nebraska law professor

Hurwitz, an expert whose views the FCC solicited during its rulemaking process, has submitted multiple filings to the FCC critical of its push for net neutrality.

He said the FCC probably exceeded its authority Thursday. Its classification of broadband as a utility “gives it much broader power over all aspects of the industry, not just net neutrality,” he said.

Companies won't know what the FCC standards are or will be. "We are relying on the discretion and judgment of whoever is sitting in the agency's five chairs, especially its chairman, which could be someone different two or three years from now," Hurwitz said. He said the next year or two will be fraught with lawsuits from big telecoms and trade groups challenging Thursday's decision. During that period, however, consumers are unlikely to see any drastic changes, Hurwitz said.

"The industry has been living under the threat of net neutrality rules for the last 10 years. They're unlikely to start doing anything different."

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