

NONPROFITS: CALIFORNIA LEGISLATION

Net Neutrality and Nonprofits

2.06.17 | Linda J. Rosenthal, JD



It's like we're watching a master magician deftly keeping us laser-focused on what he's doing with his right hand; that is, a lightning-speed, massive overhaul of the federal tax code. His left hand, behind his back, is pulling a fast one on an issue as significant to all of us as the proposed tax changes. He's hoping we won't notice.

What is Net Neutrality?

In a sense, this post's title is a bit misleading. There's no special or particular danger to nonprofits if net neutrality is smashed to bits. It's a bad deal for everyone – except a few major telecom firms like Verizon.

If the "neutrality" of the internet is lifted, though, it will likely have a severe and specific effect on the nonprofit world – on top of the overall profound change it may have on all of our lives.

In a nutshell, net neutrality is quite simple. For the short life of the internet so far, it has been wide open. Access to it is neutral and fair. The business startup has an equal chance on this level playing field with economic giants. So does a small nonprofit just getting off the ground against charity behemoths. It's a world-wide forum for the exchange of ideas, information, and commerce.

A court decision a few years ago led to some question about whether that "open" status could continue under telecommunications laws established well before the rise of the internet. In response, the Federal Communications Commission (FCC) in 2015 enacted regulations guaranteeing that "net neutrality" would continue.

Why is Net Neutrality In Danger Right Now?

The FCC has five commissioners; traditionally, the President's party gets 3 of the 5 appointments. The Obama Administration strongly backed Net Neutrality. That's how the 2015 FCC made the decision to confirm the openness of the internet.



One of the 2 minority commissioners in 2015 was elevated to the position of chair of the FCC in 2017. He is opposed to Net Neutrality. Because of the current political composition of the commission, Net Neutrality is set to evaporate next week by a simple vote of the commissioners.

In *F.C.C. Plans Net Neutrality Repeal in a Victory for Telecoms*, the New York Times, on November 21, 2017, published a helpful explanation of how and why the matter of Net Neutrality is headed for a showdown on December 14, 2017, at the Federal Communications Commission.

That same day, in <u>FCC plan would give Internet providers power to choose the sites customers see</u> <u>and use</u>, the Washington Post also delivered a useful, in-depth explanation.

Citing both major newspapers, the Nonprofit Quarterly posted its own analysis the next day: <u>Open Internet's Last Stand: FCC Chair Pai Promises Plan to Nuke Net Neutrality.</u>

In the New York Times article, there is a good summary of the opposing arguments:



The action 'represents the end of net neutrality' as we know it and defies the will of millions of Americans," said Michael Beckerman, chief executive of the Internet Association, a lobbying group that represents Google, Facebook, Amazon and other tech companies.

[FCC Chair Ajit] Pai said the current rules had been adopted to stop only theoretical harm. He said the rules limit consumer choice because telecom companies cannot offer different tiers of service, for example. As a result, he said, internet service companies cannot experiment with new business models that could help them compete with online businesses like Netflix, Google and Facebook.

Latest Developments: Possible Vote Delay

At <u>a news conference late</u> on Monday, December 4th, Eric Schneiderman, the attorney general of New York, and Jessica Rosenworcel, a Democratic FCC Commissioner, demanded a delay in the scheduled December 14th FCC vote.



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They are part of a mounting backlash of critics who have seized on what they say are millions of fake or automated comments submitted to the agency that have corrupted the policymaking process.

Public comments play an important role at the FCC, which typically solicits feedback from the public before it votes to make significant policy changes.... Schneiderman and Rosenworcel said ... that <u>widespread irregularities</u> tied to net neutrality feedback, including at least 1 million phony comments, have tainted the public commenting process. The allegations are buttressing a campaign by online activists and government officials who oppose the FCC's plan to dismantle net neutrality rules.

Conclusion

Net Neutrality: It's not rocket science. As proof, check out <u>Net Neutrality for Kids</u>, in which an intrepid reporter for the San Diego City Beat describes his afternoon explaining the concept to a child:



'So yeah, a day might come where your friends might all be playing a game, and you can't play it because you don't have the same internet service as they do.'

'That's stupid,' he snapped.

'Yeah, kid. You're telling me,' I said. 'Now go tell your mom.'