# FCC chairman sets out to scrap rules for open internet access

By RYAN NAKASHIMA and MICHAEL LIEDTKE AP Technology Writers

MENLO PARK, Calif. — The chairman of the Federal Communications Commission set out Tuesday to scrap rules around open internet access, a move that would allow giant cable and telecom companies to throttle broadband speeds and favor their own services if they

Ajit Pai followed through on a pledge to try to repeal "net neutrality" regulations enacted under the Obama administration. The current rules treat internet service providers such as Comcast, AT&T and Verizon as if they were utility companies that provide essential services, like electricity. The rules mandate that they give equal access to all online content and apps.

said those discourage investments that could provide even better and faster online access. Instead, he said new rules would force ISPs to be transparent about their services and management policies, and then would let the market decide.

Under my proposal, the federal government will stop micromanaging the internet," Pai said in a statement.

Pai distributed his alternative plan to other FCC commissioners Tuesday in preparation for a Dec. 14 vote. Pai promised to release his entire proposal Wednesday. Although FCC's two Democrats said they will oppose the proposal, the repeal is likely to prevail as Republicans dominate 3-2. The vote for net neutrality in 2015 was also along party lines, but Democrats dominated then.

Equal treatment for all web traffic has been a fundamental principle of the internet since its creation but companies have increasingly put their thumb on the scales of access. AT&T, for example, doesn't count use of its streaming service DirecTV Now against wireless data caps, potentially making it seem cheaper to its cellphone customers than rival TV services. Rivals would have to pay AT&T for that privilege.

Regulators, consumer advocates and some tech companies



Federal Communication Commission Commissioner Ajit Pai speaks during an open hearing in February 2015 and vote on "Net Neutrality" in Washington.

### "Under my proposal, the federal government will stop micrmanaging the internet."

- Ajit Pai, FCC commissioner

are concerned that repealing net neutrality will give ISPs even more power to block or slow down rival offerings.

A repeal also opens the ability for ISPs to charge a company like Netflix for a faster path to its customers. Allowing this paid-priority market to exist could skew prices and create winners and losers among fledgling companies that require a high-speed connection to end

Pai, who was appointed by President Donald Trump, said in an interview on Fox News Radio that Trump did not have any input on his proposal. Asked whether deregulation would result in higher prices and put speedy internet access out of the reach of blue-collar Americans, Pai said "it's going to mean exactly the opposite.'

"These heavy-handed regulations have made it harder for the private sector to build out the networks especially in rural America," Pai said.

In a Wall Street Journal editorial published Tuesday, Pai cited a report by a nonprofit think tank, the Information Technology & Innovation Foundation, that said investment by the dozen largest ISPs fell about 2 percent from 2015 to 2016, to \$61 billion. The group didn't link the drop solely to the stiffer rules introduced in

The attempt to repeal net neutrality has triggered protests from consumer groups and internet companies. A data firm called Emprata that was backed by a telecom industry group found in August that after filtering out form letters, the overwhelming majority of comments to the FCC — about 1.8 million — favored net neutrality, compared with just 24,000 who supported its repeal.

Carmen Scurato, director of policy and legal affairs for the National Hispanic Media Coalition, said ISPs' ability to impose monthly caps on data use already act to raise prices and limit access. Repealing net neutrality, she said, "is just erecting more barriers.

Among those that will be hit hardest are startups that depend on high-speed internet connections for growth, said Colin Angle, co-founder and CEO of iRobot, maker of the Roomba robot vacuum cleaners. He said his own company wouldn't be dramatically affected in the near term, but the nascent robotics industry overall might.

"The need for these robots to consume bandwidth is certainly on the rise," Angle said.

Google said in a statement that net neutrality rules "are working well for consumers and we're disappointed in the proposal announced today."

Other tech companies were more muted, with some referring instead to their trade group, the Internet Association. Netflix, which had been vocal in support of the rules in 2015, tweeted that it "supports strong #NetNeutrality" and opposes the rules rollback.

But the streaming-video company said in January that weaker net neutrality wouldn't hurt it because it's now too popular with users for broadband providers to interfere.

AT&T executive vice president Joan Marsh said new rules requiring ISPs to disclose their management practices will keep them honest. "Any ISP that is so foolish as to seek to engage in gatekeeping will be quickly and decisively called out," she said in a statement.

Comcast said its commitment to consumers will remain the same. "We do not and will not block, throttle, or discriminate against lawful content," Comcast's senior executive vice president David Cohen said.

Pai's plan also restores the Federal Trade Commission as the main watchdog to protect consumers and promote compe-

But Democratic Commissioner Mignon L. Clyburn said the proposal was "a giveaway to the nation's largest communications companies.'

Monday, AT&T CEO Randall

Stephenson addressed spec-

ulation over whether the

government's lawsuit was "all about CNN," saying, "Frankly, I don't know." But Stephenson

said AT&T would not agree to

anything that would result in it

matter, who could not go on the

record, previously told the Asso-

ciated Press that DOJ wanted

the combined company to sell

either Turner — the parent of

CNN, TBS and other networks

antitrust concerns. A DOJ offi-

cial, speaking on condition of

anonymity in order to discuss a

pending legal case, said Monday

that the government is still

willing to work with AT&T on

or DirecTV to satisfy its

A person familiar with the

losing control of CNN.

## Oregon Tech starts Cyber Defense Center in Wilsonville

#### Aims to help businesses address security threats

**By ANDREW THEEN**The Oregonian/OregonLive

PORTLAND — Kris Rosenberg's oven has Wi-Fi, and it makes the Oregon Institute of Technology cybersecurity professor a bit

Rosenberg said the design feature in and of itself isn't an issue. But the oven presents a risk, in theory, because it could be hacked and remotely activated.

In a world of smartphones, ever-changing passwords and cameras everywhere, the oven is just another device that needs to be managed and protected.

"There is no such thing as perfect security," Rosenberg said in an interview Monday. "That's never the goal. The goal is to manage risk, and as we increase our risk, we need to make smarter and better decisions.

On Monday, OIT launched its Cyber Defense Center, a public-private partnership that Rosenberg and school officials hope will go a long way toward helping Oregon businesses make smarter decisions about security issues big and small.

Rosenberg modeled the cyber center after a teaching hospital. OIT students will be paid \$15 an hour in the suburban lab and work under the guidance of cybersecurity professionals.

Cybersecurity, like the medical world, is predicated on trust and skill.

"You don't want somebody who just went to med school performing their first surgery on you with no supervision," Rosenberg

The school said students will create weekly threat reports for the companies, track ongoing internal and external vulnerabilities and offer recommendations to beef up security. The setup positions students for good-paying jobs upon graduation and allows small businesses benefit from cybersecurity work that would otherwise cost tens of thousands of dollars more.

Gov. Kate Brown, who was on hand for the Wilsonville center's unveiling, declared a "Day of Cyber" to draw more attention to cybersecurity.

A public-private website, CyberOregon. com, also started Monday with links to resources and more information about the cyber threat. Brown and U.S. Rep. Suzanne Bonamici

spoke about the importance of cybersecurity to a room filled with industry professionals Brown said she's had her own experience

with a security breach, citing a 2014 hack of the Secretary of State's office which cost

"We all have to have confidence in these systems," she said.

Brown recently signed Senate Bill 90,

which creates a statewide cybersecurity council to tackle the issue across state bureaus and private industry. Her office also is supposed to establish a Cybersecurity Center of Excellence by January 2019 to coordinate and relay relevant security threats across public and private sectors in Oregon.

Nagi Naganathan, OIT's president, said cybercrime is an "epidemic" that requires constant vigilance.

The Equifax data breach was among many incidents that compromised the personal information of millions of people this year. The credit reporting agency estimated that cybercriminals stole Social Security numbers, birth dates and other information from more than 145.5 million

Naganathan said OIT wants to be a "solutions magnet" for small and medium-sized businesses. Large and wealthy companies have the resources to pay for cybersecurity firms. "This is the place where we really want a great melding of practitioners and students," he said.

Rosenberg said the cybersecurity industry has about 2 million open jobs but a lack of skilled workers.

OIT set aside \$250,000 in non-tuition related funds to start the cyber defense center. Rosenberg said it will be self-sufficient, with companies that contract with OIT paying the salaries of the instructors and the students hourly wages. Already, Rosenberg said, the school is working with four companies and is in discussions with others to work on cybersecurity issues.

Currently, about 200 OIT students are in the information technology bachelor's degree program, with about half of those students focusing on cybersecurity.

OIT is starting a dedicated cybersecurity degree program, Rosenberg said, with hopes of enrolling its first cohort of students in

#### After pushback, AT&T prepares to fight for Time Warner At a press conference

By TALI ARBEL

AP Technology Writer

NEW YORK — Seeing an attempt to block its buyout out of Time Warner as a "radical" departure by the U.S. government, AT&T is preparing for a fight to see the \$85 billion deal through.

One key asset owned by Time Warner, CNN, could create problems for the U.S. and President Donald Trump, whose very public spat with the news network has raised suspicions that he might have interfered with the department's decision.

DOJ's antitrust chief, Makan Delrahim, insists that Trump did not tell him what to do. White House spokeswoman Sarah Huckabee Sanders said Monday she wasn't aware of any specific action related to the case taken by the White House.

In a press release, Delrahim said that a combined AT&T-Time Warner would "greatly harm American consumers" by hiking television bills and hampering innovation, particularly in online television service. The DOJ said AT&T would be able to charge rival distributors such as cable companies "hundreds of millions of dollars more per year" for Time Warner's programming payments that would ultimately get passed down to consumers through their cable bills.

In an emailed statement Monday, AT&T general counsel David McAtee said the lawsuit is a "radical and inexplicable departure from decades of antitrust precedent" and that the



In this Wednesday, Dec. 7, 2016, photo, AT&T Chairman and CEO Randall Stephenson, left, testifies on Capitol Hill in Washington, before a Senate Judiciary subcommittee hearing on the proposed merger between AT&T and Time Warner, as Time Warner Chairman and CEO Jeffrey Bewkes listens at right.

company is confident that it will prevail in court.

AT&T runs the country's second largest wireless network and is the biggest provider of traditional satellite and cable TV services. Time Warner owns HBO, CNN, TBS and other networks, as well as the Warner Bros. movie studio.

The government's objections to the deal surprised many on Wall Street. AT&T and Time Warner are not direct competitors, and "vertical" mergers between such companies have typically had an easier time winning government approval than deals that combine two

The last time the U.S. government won a court victory in a vertical merger antitrust case was in 1972, when the Supreme Court said Ford's takeover of a spark-plug business violated antitrust law.

Many had expected government approval of the deal because Obama-era antitrust officials approved a similar deal — Comcast's purchase of NBCUniversal - in 2011, after imposing restrictions on Comcast's behavior that were meant to protect consumers.

As a candidate, however, Trump vowed to block the pending AT&T-Time Warner deal because it would concentrate too much "power in the hands of too few." As president, Trump has often blasted CNN for its coverage of him and his administration, disparaging it and its reporters as "fake news."

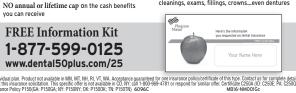
"structural relief," or selling off AT&T has argued that buying Time Warner would let it package and deliver video more cheaply, over the internet, rather than in expensive cable bundles. It already has a DirecTV Now streaming service, which puts

popular live TV networks online, and costs \$35 a month and up, cheaper than traditional cable bundles. Consumer advocates and some Democratic politicians applauded the lawsuit as a blow against media consolidation.

Consumers Union, an advocacy group that opposes the deal, said there were "legitimate reasons" to block the deal to protect consumers, but called reports of political pressure "concerning."

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