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**The Free State Foundation's
TENTH ANNUAL TELECOM POLICY
CONFERENCE**

**“Connecting All of America:
Advancing the Gigabit and 5G Future”**

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“All-Star Panel II: Solutions for Getting Past Net Neutrality and Advancing the Gigabit and 5G Future”

MODERATOR:

Randolph May, President, The Free State Foundation

PARTICIPANTS:

- **Jeffrey Campbell, Vice President, The Americas of Global Government Affairs, Cisco**
- **David Cohen, Senior Executive Vice President, Comcast**
- **Kathleen Grillo, Senior Vice President and Deputy General Counsel, Public Policy and Government Affairs, Verizon**
- **Christopher Lewis, Vice President, Public Knowledge**

* This transcript has been edited for purposes of correcting obvious syntax, grammar, and punctuation errors, and eliminating redundancy in order to make it more easily readable. None of the meaning was changed in doing so.

P R O C E E D I N G S

MR. MAY: I want to remind you all to tweet away. We appreciate that. And I'll just mention that we've got a few of our books out there, #CommActUpdate. I appreciated David Redl this morning reminding everyone that this book was the beginning of an effort to reexamine the Communications Act, which one day I bet will happen.

I'm delighted that we've got another round of all-stars here, and they are truly all-stars. In line with my convention and what I announced this morning, I'm going to give you just the brief introductions. You've got their bios in front of you.

And then I'm going to ask them to speak for five minutes. We're going to go down the line alphabetically. I'm going to hold them to the five minutes. And after those initial presentations, then I've got some questions. I want them to react to each other. I know they won't be bashful about that. And then we're going to try to save a little time for your questions as well.

Our first panelist today is Jeffrey A. Campbell. Jeff

is Vice President of the Americas of Global Government Affairs for Cisco, where he leads government affairs activities for Cisco in the western hemisphere.

Jeff and I have known each other for a long time, going back several decades. And I can say without any fear of contradiction that Jeff is one of the most knowledgeable people here in Washington and probably in the country about communications matters. He's been at it a long time and always has done it well.

Next we're going to hear from David Cohen. David is Senior Executive Vice President of Comcast and the company's Chief Diversity Officer. He has a broad portfolio of responsibilities, including corporate communications, government and regulatory affairs, public affairs, legal affairs, corporate administration, and community investment.

He also serves as a senior counselor to the CEO. Whenever I go over David's portfolio, it makes me wonder whether there are several thousand employees of Comcast that they might be able to eliminate just because of everything David's doing there. Some of you remember when he was here last year, I had discovered that back in law

school he was called the chief judge. I think I have that right.

So for any of those tough legal questions that I've asked you not to direct to the moderator this time --

(Laughter.)

MR. MAY: -- I may send them over David's way.

Next I'm pleased that we have with us Kathleen Grillo. Kathleen is Senior Vice President and Deputy General Counsel, Public Policy and Government Affairs at Verizon.

She has responsibility for Verizon's public policy, federal and state, legislative and regulatory affairs, antitrust and privacy, and strategic alliances. She actually makes me think that maybe she's Verizon's David Cohen with that broad portfolio that he has. Welcome to Kathy.

Last but not least, as Nicol reminded us on the last panel when she did her own last but not least, but I'm doing it for Chris. Christopher Lewis is Vice President of Public Knowledge, and he leads the organization's advocacy on Capitol Hill and with other government entities.

Prior to joining Public Knowledge in 2012, Chris

served at the FCC as Deputy Director of the Office of Legislative Affairs, and he advised the FCC Chairman on legislative and political strategy.

Chris and I were doing a program together a couple months ago on C-SPAN. And we discovered, sitting there in the green room, that Chris's father was an assistant basketball coach at Duke University. Some of you know that I have a particular fondness for Duke University. That was when Bucky Waters was the coach.

So even though there are times when Chris and I don't always agree on things like net neutrality or some other issues like that, we have that Duke connection. And by God, can any of you believe that shot --

(Laughter.)

MR. MAY: -- of Grayson Allen's that was in and out of the basket twice and then rolled off? I mean, I still haven't fully recovered from that. But we're going to go on.

Okay. We're going to start with Jeff. Now, please try and limit your remarks to five minutes. And Jeff, you take off.

MR. CAMPBELL: Great. Thanks, Randy. So it's 2018.

Here we are, talking about net neutrality again. I've been talking about this issue since about 2002. As I recall back then, Randy, I didn't have any grey hair. I don't know about you.

MR. MAY: Of course not.

MR. CAMPBELL: But we've gone a long time on this issue, and we've gone around in circles an awful lot. And I think there are a couple of things we have learned along the way. One is that television comedians probably shouldn't run telecommunications policy. Another is that slogans often win the day in Washington.

But I want to go back to 2002 for a second because I think it helps set the table for discussing where we are today and where do we go from here. And that was in an era when almost nobody was talking about this issue.

A few people sat down and thought about it for a little while, and I'm not sure we were the smartest people in the world. But we did think about it and think about what the real problem is about what can and cannot happen on this interesting new medium of the Internet.

And we thought that there were some of fundamental principles that ought to be out there that people ought to

operate by. And they weren't that complicated. We thought that people shouldn't block traffic -- that's lawful traffic.

We thought that people shouldn't throttle traffic because that's the moral equivalent of blocking in a world where we're all going for more and more speed all of the time. Thank you, David. One of my two Comcast accounts just got really speeded up lately, and I'm very happy about that.

People also ought to be able to choose what they want to run on their Internet -- what applications they want to run and what they want to do. Lastly, as consumers, people ought to know what it is they're buying.

They ought to be told how their service operates. What happens with it? What are the parameters of it that might affect what they want to do with their Internet connections? And we sort of wrote this all down, and we typed it up and all this, sent it off to the FCC, and Michael Powell thought it was a good idea.

And thought it was wrapped up with a bow and done. And isn't that nice? We're all done here; let's go away. Well, a lot happened in the meantime. But I would suggest

that if you think about where we are today, in the grand universe of this debate, some of the fundamentals, the ones I just talked about, are fairly much indisputable.

What we're really fighting about or arguing about increasingly in this debate are two things. One is questions of law -- who should regulate and how should they regulate? I would posit that they aren't the most interesting parts of this debate because as long as there's someone doing it somewhere correctly, we're going to be okay.

And secondly, we're debating on the cutting edges of technology, issues such as prioritizing traffic, news services, whether people can pay for this, whether they can't pay for that, whether some services should get that but not other services, and what that can do vis-a-vis competition in the marketplace.

I would argue in those cases we need to look at two important things. One is how we make sure that competition is preserved in the marketplace, and we have a lot of laws on the books to do that. If we need more, we should discuss that.

But secondly, we don't want to get into a world of

restricting technology. And banning types of usage is essentially the same the thing as banning technologies. I think that's something else we've learned over time in this debate.

And so just to wrap up to meet the five minutes that Randy has us on here, I think that we might be at a good inflection point where we can attempt to bank the agreements, whether that's legislatively or regulatorily.

We can really get down to all the things that 99 percent of the people that discuss this issue all agree on. Try to compromise on the remaining issues, recognizing that we don't want to foreclose the future because there will always be opportunities to regulate and legislate in the future, if necessary.

But we don't want to do things that impinge on technology choices and on opportunities for both business models and for consumers to access things that they want to choose. I would posit that Congress is the best place to do this, but that sometimes is a very slow process. We will see.

But if we go back to the basics here, I think we'll all find that there's an awful lot of commonality on this

debate. And maybe one day we won't have to have a panel on this [net neutrality] at this conference.

(Laughter.)

MR. MAY: I guess I would welcome that day, although it is fun. And I should have said earlier the title of this panel. It's in your brochure, of course. But it is, "Solutions for Getting Past Net Neutrality and Advancing the Gigabit and 5G Future." So I do want to talk about that on this panel as opposed to the earlier panel, when we didn't do that as much.

David, you're next.

MR. COHEN: Thanks, Randy. And congratulations on your tenth conference. That's pretty impressive. And again, I think you've picked the right topic to draw a full room and to draw panels of people to talk about it.

I've got three basic points I'll make in five minutes. They're all premised on the fact that state-of-the-art networks are truly the foundation of our digital economy, and I believe of America's future. And how we make sure we preserve and grow our state-of-the-art networks in the United States and maximize innovation, I think, is ultimately the answer to the title that you've established

for this panel.

My first of three points is that let's make no mistake about it, we have world-class broadband networks in the United States, and we got them through the leadership of ISPs. We've invested \$1.6 trillion in building out these networks, and without the private sector investment, without the private broadband providers we would not have state-of-the-art networks.

I will also say that without continuing investment and innovation by the ISPs, we're not going to maintain our leadership position in the world of having state-of-the-art and best-in-class broadband networks.

Thanks to those networks, we deliver the fastest broadband speeds. For many of us, we're doing that through DOCSIS 3.1. At Comcast, we're now offering gigabit speeds in 80 percent of our footprint, and by the end of this year we'll be offering them in 100 percent of our footprint.

And coming soon to a Comcast network near you, we're already working on the next generation, which is full duplex DOCSIS, symmetrical multi-gig speeds going up and down, probably up to 10 gig. And that is all through a

privately supported risk capital network that we're building.

And for us, it's more than speed. We launched our xFi service, which is the fastest and most powerful advanced wireless gateway in the home, which gives you unprecedented control over your WiFi services. Those commercials are not just jokes. It actually works. You can turn your WiFi off and make your kids talk to you during dinner.

(Laughter.)

MR. COHEN: That's how we're enhancing family values and the integrity of the family unit.

(Laughter.)

MR. COHEN: So that's point one.

Point two is the importance of finding public policy that supports private sector investment in the network. I think having a climate that encourages private sector investment is essential. The temporary misguided classification of ISPs as public utilities threatened that cycle of investment and creation.

I would note that those who disagree with that statement have never run a business, never made private

sector business decisions, and never made investment decisions. There is unanimity in the corporate sector, whether it's in the broadband space or otherwise, that having a light regulatory touch is essential to encouraging private sector investment.

If you compare the regulatory environment for broadband in the U.S. versus the regulatory environment, for example, in Europe, there is a reason why the level of private sector investment per person is literally double the size in the U.S. as it is in Europe.

So the restoration of this light touch regulatory framework, which has worked in the past and will work in the future, is one of the major accomplishments of 2017. But as Jeffrey said and I want to make clear again -- and Kathy, unfortunately we can't say this enough times because no one's listening.

But the solution here is bipartisan legislation that installs, once and for all, durable, enforceable net neutrality rules that will once and for all take this issue off the table.

The game of regulatory ping pong, going back and forth as to who's in control of the FCC, is arguably worse than

having Title II classification because the uncertainty that that presents is the absolute worst environment to be able to make investment decisions.

And then my third point -- and I know it's slightly off-point and belongs more in the first panel. But for me and for Comcast, and I think for most ISPs, this is a fundamental article of faith, which is that we have to do more than just have faster and faster Internet.

We have to make sure that every American has access to that Internet. And that has a deployment dimension to it, and it has an adoption dimension to it. I raise it because I think getting all Americans connected is a fundamental tenet of digital democracy in the United States, and we're not going to win this argument if we're leaving 25 or 30 percent of Americans behind.

And I've just got one point which we can expand on or not since it's not really this panel, but it's something that I'm passionate about. I say it in front of every audience. I won't ask for a show of hands.

But if you go by the dialogue in Washington around universal broadband adoption, you would think we're dealing with a problem that is predominately, if not

almost exclusively, a matter of getting broadband built out to rural America and Indian reservations and places that don't have broadband.

So we have a deployment problem in the United States. But it covers eight percent of our population. Eight percent. We also have an adoption problem, and that adoption problem is impacting 27 percent of America.

We have more than three times as many Americans not subscribing to broadband at home even though it is built out in front of their homes, as we have Americans not subscribing to broadband at home because the broadband has not been built out in front of their homes.

I'm not saying we should ignore rural America. We should absolutely pursue public policy, private sector incentives, and private sector partnerships with the public, technology, because we may never get wireline broadband to every corner of America.

But please, please, please, let's not forget the three times as many people who are not subscribing to broadband even though it's running in front of their home. The broadband plant is running in front of their homes.

Nicol talked about this on the first panel. We have

to have a public policy and a private sector commitment that is equally focused on broadband adoption issues as well as on broadband deployment issues.

MR. MAY: Okay. On that note, thank you, David. And really, your last point actually is part of what we want to discuss. And the theme of this conference is "connecting all of America." So in my view, it all relates together.

Kathy? You're next.

MS. GRILLO: Thanks, Randy. Thanks for inviting me. This is actually my first panel at a Free State Foundation conference. Not my first panel on net neutrality, I will say, but maybe the last.

(Laughter.)

MS. GRILLO: I'll keep my remarks brief because I think our discussion will be very interesting, and there are a lot of interesting issues we're going to get to.

I'm going to start in a similar way to the way Jeff did. Just when I was thinking about what I was going to say today, I was thinking back to 2003, which is roughly when this debate started, which also coincided with the beginning of my career at Verizon.

What struck me is just how much has changed since then. So we had a little discussion at our office about what kind of mobile wireless service you had in 2003. You basically would have had a flip phone, if you even were that advanced, and you had like 140 kilobits per second of speed on your phone.

And that was when we started talking about these concepts and these principles of openness that have changed somewhat over the years. But as Jeff pointed out, there's still a lot of commonality about what's important and what should be permanent in terms of protections for consumers.

Just think about the Internet as we know it now and how different it is from 2003. I mean, then you didn't have a Google. You didn't have a Facebook. You didn't have an Amazon.

You didn't have these companies that have become not just central to the U.S. or even the global economy, but central to what a consumer's experience is on the Internet. And all that happened while we were having these discussions about openness and net neutrality and what was important for consumers.

In some ways, it doesn't make sense to go back and use some of the older terms. We have this economy now where we all have very complex relationships with each other, where regulators are looking at these issues from different perspectives.

But it's important to see how much change has occurred. David went through it in terms of broadband, in terms of the wireline network. But on the mobile side, what we're poised to see right now when we talk about 5G and the transformation, to the economy that's going to come, and to innovation that's going to come, from 5G.

So how do we get there? We need to get past net neutrality. There's no question about that. There are many critical, important issues that Chairman Pai and Administrator Redl are working on right now. They're going to bring us there.

But we've got to get past the issue. And as David said, the only real way to do that is to have legislation that puts in place permanent protections for consumers that are legally durable, that make sense across the industry, that allow for the kind of innovation and

investment that got us from 2003 to where we are today.

The path there is probably a little unclear right now, but it's critical. I don't think we can lose sight of that. And I think there's a lot of will and motivation on all sides in this debate. No matter what private company you talk to, there is a sense of imperative to get to a solution for some of these problems.

So I'm hopeful that we can get there. But that's really where we need to land.

MR. MAY: Thank you, Kathy.

And now we're going to turn to Chris. And I just want to emphasize, I'm very pleased that Chris is here. He and his organization, Public Knowledge have a different view on some of these things. And that's why it's important for him to be here.

Many of you have been to many of our conferences, and we always value having a diversity of views expressed. In my view, that's the way you get educated, the way you learn.

So Chris, take it away.

MR. LEWIS: Thank you, Randy, and thank you for having me. I feel a little bit like a Tarheel in Cameron Indoor

Stadium.

(Laughter.)

MR. LEWIS: So I will do the best I can. I do appreciate you having me here, because the only way we resolve this issue and get past net neutrality is to ensure that we have net neutrality.

And the only way we do that, from a policy standpoint, is to get all stakeholders together to agree that we had achieved that. Jeff started to give us some of the history of net neutrality going back to Chairman Powell and his four freedoms, and then subsequent FCC chairmen's efforts to enforce net neutrality at the FCC.

Every time we tried to do so, we see an ISP challenge the ability or the power of the FCC to actually protect an open Internet. And so when we think about what it takes to get past this issue on a policy basis, we have to have folks agree to what net neutrality is. And outside the Beltway, there's broad consensus about what that is; only inside the Beltway is that a debate.

We need to have net neutrality like we had -- when we have strong rules and we have strong protections like we had under the 2015 order, that can be upheld in court like

the rules in the 2015 order, that are popular and that allow for investment in the network by ISPs and by the folks on the edge, like the 2015 rules did.

And as you can tell, I like the 2015 rules. -- When we have that, then we can move on to taking care of these other issues that were brought up that I think are extremely important.

Net neutrality is these bright-line rules that protect proactively against ISPs' blocking and throttling content. Protect against paid prioritization schemes that allow for ISPs that are now getting bigger and bigger and merging with content companies to prefer the content that they own over other competitive content.

Rules against those things are the core of net neutrality. And it's why, when protecting net neutrality at the FCC was challenged by ISPs in the past, the Powell freedoms, the Genachowski rules from 2010 -- it's why we ended up with a Title II framework in 2015, because that's what the court pointed to as what could be upheld under the current law.

Folks on the panel here are asking for legislation now that they have successfully eliminated the only rules that

were able to be upheld under current law. It can be done. There are different ways to get there.

I would suggest that the easiest way is the current resolution that's been introduced to restore the 2015 rules since we found that they were strong, worked for the industry, worked for consumers, were popular, and were upheld in court. That's one way, and probably the simplest and fastest way, to restore net neutrality protections and to move past it.

If folks wanted to put forward other types of legislation it would need to protect the same things that the 2015 rules protected. That's what consumers expect. That's why you see so many folks writing in to the FCC over this, setting records.

That's why you see state legislatures responding to their constituents, doing all sorts of things at the state level that should have been handled by the FCC at a federal level.

So we need to remember what the bright-line rules are, what the clear protections are. Legislation would have to do that. It would also have to preserve the ability for the FCC to be a cop on the beat. Technology changes too

quickly for Congress to keep up with every innovation.

To allow for innovation on all parts of the Internet, both at the network level with the ISPs and with edge providers, it's important that we have an empowered regulatory agency that works in the public interest to protect consumers and to protect competition. That's always been the Federal Communications Commission.

I think it was a radical decision by the FCC to decide that they no longer were in the practice of protecting consumers over broadband and wanted to kick it over to the Federal Trade Commission. It needs to be restored. That could also be done through legislation.

But what we don't want to see is legislation that gives us narrow net neutrality protections in exchange for losing all the other protections that are important at the Federal Communications Commission. Things like privacy, that have been a long tradition there, things like protecting against costs and price-gouging, things like preserving universal service and protecting against redlining, which we have seen from some Internet service providers over the last few years. And we need to protect competition so that independent voices can be heard and

can seek out other competitive tools and competitive platforms online.

And then we need to make sure that the network is reliable, that we don't dial back or take a downgrade to the protections and the expectations that networks are reliable and that when services go down or when services are changed, or even when they're upgraded, that we don't lose some of the things that people expect that those networks can do. We can do this if we work together and agree that these are fundamental principles of communications networks.

MR. MAY: Okay. Thank you, Chris. Well, I was right about there being a diversity of opinion. Right? And that's what we want.

Now, we're going to stay with the net neutrality issue a little while and then move on to some other things. And I heard that Kathy said that the path -- I think this is a direct quote -- the path is a little unclear at this point in terms of how to move forward on the Hill and that she favored legislation.

And then I did hear Chris make a pitch for the Congressional Review Act resolution. But just assuming

for the sake of argument that that's a nonstarter among our other panelists here, if we're trying to actually resolve this issue right here today while we're together, I want to try this in steps.

The ISPs do say that they are in favor or don't object to certain elements that fall under the rubric of net neutrality -- blocking, degrading. Most of the major ISPs, I think, including the ones represented here, will say that. And then we're going to talk about paid prioritization.

But first, Chris, you'd like to see the rules reinstated. I'm just going to have maybe one or two of you explain why, if you are amenable to many or some of the facets of net neutrality that Chris favors, what was, in your mind, so wrong with the 2015 rules? Just explain that so we get that on the table, and then we'll move forward. You want to try that?

MR. COHEN: I'm happy to take a shot at that. Speaking for Comcast and I think, speaking for the industry, we didn't have objections to most of the substance in the 2015 order.

We did have objections to certain things that were

added into the substance that had never, in the history of the debate of net neutrality, been a part of net neutrality until Tom Wheeler and President Obama came along and decided to make them part of net neutrality. The general conduct standard is the most obvious thing made up out of whole cloth that really has nothing to do with net neutrality in its history. And interconnection is another complicated question that may not be as fundamentally philosophically central to the debate.

But the big issue was the source of authority relied upon by Tom Wheeler to impose those rules. That was classifying broadband under Title II of the Telecommunications Act, which the industry and, I believe, almost every serious economist looking at this would uniformly raise their hand and say that classifying ISPs as a public utility and using Title II as your source of authority to impose these rules is a disincentive to investment.

Title II is a Sword of Damocles hanging over your head because of the hundreds of other things that can be done to ISPs when they are classified under Title II.

And by the way, we're not new to this discussion.

When Tom Wheeler was considering the rules, we were on Capitol Hill saying, let's legislate. After Tom Wheeler did his rules, we were on Capitol Hill saying, let's legislate.

The authority issue that's been exposed in court proceedings is not constitutional authority. It's not Biblical authority. It's not written in the Ten Commandments. It's statutory authority, which means Congress has the ability to fix it.

Henry Waxman came close in the fall of 2010. And all we've been consistently saying is, let's let Congress do its job. They're elected to legislate. They should create a new Title for broadband. And by the way, Chris, we are fine with specific rules, defined rules with FCC jurisdiction. We've got no problem with that.

I think there is a consensus among most reasonable legislators, among the industry, that it's time to put these rules in place and move on. And Jeff, when you were talking, you said this is beyond the point where it's about the rules itself.

And Jeff said some people say it's about law. I don't think it's about law. I think you said there were two

things. I'm not sure you got to the second thing.

(Laughter.)

MR. COHEN: I would say what this has become is it's all about politics. This is all a political game of football right now, and that's why nothing's happening.

MR. MAY: All right. Chris, I'm going to give you a chance to come back in a moment. But I want to stick with David, and then after David, Kathleen can add to this if she would like.

So David, I'm just going to quote from Communications Daily. I know one of their esteemed reporters is here. If I get it wrong, he'll look it up. But I know I have this right.

Just recently, I think within the past week it was reported, "Cohen also sought net neutrality legislation to end the game of regulatory ping pong, indicating his company might be open to no paid prioritization as long as it could do specialized services. A spokeswoman noted he wasn't making any formal proposals."

So here's my question. I think it's clear that the prong of net neutrality that is more of a sticking point than any other is this question of paid prioritization.

At least that's what I believe. So maybe you can clarify for us and maybe your spokeswoman is not even here to add to this.

Ultimately, people have to put their cards on the table here. What is your bottom line for Comcast, and what do you mean? Explain to the audience what your position is on paid prioritization and whether specialized services might help you resolve that. And if so, how?

MR. COHEN: I'm happy to do that. And it isn't a proposal because it's not me. It's not up to me or Kathy to make a proposal. And quite frankly, in the world of politics, I'm worried that any proposal I make is dead on arrival because I'm making the proposal.

If rational people will sit down and talk about this, they can even resolve what has become a third rail around bipartisan net neutrality legislation, which is so-called paid prioritization.

We've had a lot of discussions within the industry, we've had discussions with tech companies, and we've had discussions with the Ciscos of the world. So what I said is how about if we agree to a prohibition on paid prioritization, and we have a limited exception created in

some way for this concept of specialized services? I think specialized services was first defined in Julius Genachowski's 2010 order, and a form of it was in Tom Wheeler's 2015 order.

There is a recognition that something might come along that is not anti-competitive, that is pro-consumer, that is a specialized service available not to every user of the Internet, that would be in consumer interests and in the public interest.

And so what I said at the ACA conference was that if people would sit down and talk about this and stop playing politics and stop engaging in political rhetoric and ask what the issues are where we agree and where are the issues that we don't agree, then we can get to agreement even on something as contentious as paid prioritization.

And I believe that that is the case. It just requires legislators sitting around a table and having a conversation about it. I would note for the record that Greg Walden's draft net neutrality legislation, which he has floated and has yet to have any Democrat willing to sit down with him and discuss it, contains an out-and-out prohibition on paid prioritization, not with any

specialized services exception. That legislative language simply prohibits paid prioritization.

So that's my evidence that there's a willingness to talk about this if reasonable legislators would sit down at the table and say, what do we need to be able to reach a consensus on legislation?

MR. MAY: Okay. Well, that actually sounds like news, at least to some of us. So thanks for that.

So what I want to do is ask Kathy if she would like to respond to this point. And then, Jeff, your name was invoked. And then we'll come back to Chris. And as we go along, we're going to speed it up, speed up these answers a little bit to make sure that we get into a couple other areas.

Kathy?

MS. GRILLO: We've been clear in our discussions with stakeholders, but more importantly with our customers, about exactly what we will do or not do, and what we would support or not support in legislation when it comes to paid prioritization.

So if you go on the Verizon.com website, you will see our broadband commitments that spell out very clearly our

commitment to openness and what we've said we will and won't do when it comes to what they call paid prioritization.

Now, we don't use that term in our commitments because that's not a term that, shockingly, outside D.C. most people have any idea what it means. They know what they're concerned about. They know they're worried about the fast lane and the slow lanes.

We've been very clear from the beginning what's important to our consumers, and we've committed to them what we will do and not do. I think that could carry over when we have discussions about legislation.

As David points out, Congress comes up with language, not companies. We are willing to be part of any debate over the kind of language that will be part of whatever kind of legislative package that eventually takes shape. But again, that's something that we've been open about for years, and that we will be part of that debate.

MR. MAY: Okay. I'm going to go to Jeff quickly and then back to Chris for his response.

MR. CAMPBELL: Paid prioritization, or prioritization in general, is one of the most misunderstood issues that's

out there. I wish the press would stop writing fast lanes/slow lanes. The Internet has no lanes. They do not exist.

Traffic either goes or it doesn't go. It moves at the speed of electrons, or the speed of light, and when there's congestion, you either drop packets randomly or you drop them intelligently by using some sort of prioritization scheme.

I would posit that there are a lot of benefits to intelligently deciding what traffic has a better quality of service than other things. So I'm going to give you two examples, one of which is crucial and one of which is mundane but very important, too.

The first is, I guarantee you that all the people who are against paid prioritization are hugely in favor of paid prioritization the minute we start having remote surgery occurring across electronic networks. You want those packets to be prioritized. You want them to get through, and you want everything to work right. There's a benefit to doing that. It's not an inherently bad thing. It's good technology.

The second example I'll give is one we live with all

the time. My boss loves video now and always wants video, whether I'm sitting in the office or not, or Facetiming. Well, sometimes it comes through beautifully. Sometimes it doesn't come through beautifully. And sometimes it's like, turn the video off before we lose the connection.

That's the kind of experience where you have real-time live communication with audio and video going on, where the quality of service can make the difference in whether the service is good or not. It is valuable to have an incentive for the people who own the infrastructure to create the capability to make a better experience for consumers.

Now, the people who benefit from that should pay for it. They caused the costs; they should pay for it. And they will incent the investment in the network. The only issue here that we have to worry about is whether it is used for anti-competitive purposes.

And so rather than banning the technology -- because that's what a ban on paid prioritization is, you're essentially banning the use of this technology -- we should talk about whether the technology is being used for good or for bad.

And if it's being used anti-competitively, we can write rules, or we can use the existing law, or both, to address those situations. But there are a lot of benefits that can come from the use of prioritization and quality of service technology. And I think that it would be a real mistake for our country to walk away from that because the rest of the world isn't walking away from it.

MR. MAY: Okay. Chris, just take a couple minutes and respond, if you'd like. And then we'll move on.

MR. LEWIS: Sure. This is the right topic to be discussing because it's the thing I hear the most pushback on the Hill when I see legislation that we, quite frankly, can't get behind. The Walden bill was mentioned, which had bans on paid prioritization, bans on blocking, bans on throttling. But it took away any latitude for the FCC to actually do anything outside of those narrow rules.

And so when you do that, there are all sorts of other protections that were mentioned on the previous panel and mentioned on this panel, that the FCC would be out of the business of protecting consumers on a broadband. So that's one concern.

The current bill from Ms. Blackburn does not have a

ban on paid prioritization. That's the one that really has gotten attention this year in this Congress.

On the specifics of what prioritization is and the specialized services, it's important to remember that in restoring the 2015 rules through the CRA or in turning them into law and legislation, which I think this group would prefer, do it either way.

But if you do it, let's remember that the 2015 rules had an allowance for reasonable network management, which is just what Jeff was describing, the ability for a network to say that things that are in real time need to be managed properly by the ISP. That was allowed under the rules.

And so if you're using Facetime or you're using some sort of video real-time chat, the network can allow for that. What the rules didn't allow for is to say that a specific service, perhaps one that's not owned by the ISP, would get degraded or would get slowed down.

And I think the distinction that Jeff made is right. Not all prioritization is about fast lanes and slow lanes. That's just one kind of prioritization. And I use lanes metaphorically. I understand how you're talking about the

architecture of the Internet.

But we use the term "lane" so that average people understand what we're talking about when you're talking about prioritization. And putting traffic in a lane is a simple way of doing that.

But there are other ways to prioritize. You can prioritize by not having data count against a data cap or other forms of usage-based pricing. We've seen this from Comcast, and we've criticized that in the past. And I think that criticism led to Comcast changing their policy because there was a threat of enforcement from the FCC, which had bright-line rules.

The situation we're in right now where we don't have rules is really a sticky predicament, and we need to restore those rules so that we can have this sort of allowance that I think Jeff was describing, where ISPs can make these network management decisions.

But when it comes to out-and-out harmful discrimination on the network by ISPs, then you have a cop on the beat who has the latitude to make specific rules to deal with those as business practices develop and change.

MR. MAY: Okay. Thanks, Chris. I'm going to stick

with you to start this next discussion. I want to talk about privacy regulation, and that's what we might call an adjacent area to this or really part of it. And again, we're going to try and focus these answers fairly tightly.

Some have maintained that the Commission's December 2017 order leaves ISPs' subscribers unprotected with regard to privacy protections because the FTC cannot adequately do the job, and the FCC is not protecting privacy.

I think that you and your colleagues have been of that persuasion a bit. And now, just in the past week, we have all of this controversy about Facebook. We're learning more about their practices and how they do or don't protect data. For some, that's been part of the equation all along.

So I want you to briefly tell us what your thinking is now in terms of protecting data of either ISP subscribers or also Facebook users and Google users, and how that job should be done.

MR. LEWIS: Sure.

MR. MAY: And then we'll go down the line.

MR. LEWIS: I'll try to be brief. We were in favor of

the 2015 rules when they were created. The fact is that the FCC acknowledged that they needed to create specific rules for broadband that were appropriate for ISPs to protect privacy.

Those rules had been repealed by Congress, and what that left us with, and what we saw during that fight to repeal those rules was that folks wanted to have an even playing field for privacy between ISPs and edge providers.

We have them now, and when you look at what's happening with Facebook, that is dangerous. Because when you have a self-regulatory scheme, which is how the Federal Trade Commission works, where they have really no power to create proactive rules on privacy, but they can enforce after the fact when there's been something that's been violated against specific privacy principles that a company has laid out for itself.

That leads us to where a company like Facebook. You could also see this with an ISP, because they're so focused on innovation, which is we want to see; we want to see them focus on innovation. But they also have to think about the unintended consequences that come with the development of the technology and the innovation that

they're creating.

So take a social network, for example. I liked Senator Warner describing what we're seeing with Facebook as the dark underbelly of social networks because what comes with the responsibility of creating a social network is understanding how you manage that data, how you collect that data, if you collect that data, and whose data you're collecting and who has access to it.

And by running a social network, you have a responsibility to protect that. And we've seen that was not protected in this case with Facebook. And the same goes for ISPs. They run a different business. They're not in the business of social networks. They're in the business of communications networks.

And so in the business of communications networks, expectations for privacy under communications networks should be enshrined into proactive rules. That's what we saw at the FCC that got repealed. And I think we want to see that in both instances with all layers of the Internet, whether you're on the edge or whether you're a network.

MR. MAY: Okay. I'm going to give Kathy and then

David a chance just to touch on this issue. And then I'm going to ask Jeff an entirely different question.

MS. GRILLO: Yes. I think it's important, and we've thought for a while it's important, to have a federal framework for privacy regulation that applies across the board and applies to all companies that compete against each other equally.

As for having sector-specific regulation -- if there's anything this past month or even the past year has shown us, it is that that doesn't make any sense. We need federal legislation that also sets a uniform policy across the country because one of the things we're seeing is individual states, even localities, putting regulations in place that aren't the same across the country that just confuse consumers, and end up focusing on one sector rather than the other.

So we would support that. I'm thinking now, with the revelations that have come to light, we're more likely to see some sort of legislative effort, at least. And I think for consumers that would be a good thing.

MR. MAY: David?

MR. COHEN: I'm going to be uncharacteristically short

and just say that I agree with Kathy.

(Laughter.)

MS. GRILLO: Oh, can I write that down?

MR. COHEN: I think that is the right direction. And by the way, if I can say, Chris, not being sarcastic, but welcome to the crowd. We've been here for two or three years in saying that we should have a uniform privacy regime that applies to the entire Internet.

MR. LEWIS: Well, that's not what I said, now.

MR. COHEN: And you can't do that through the FCC or the FTC. You've got to do it through legislation. There may be an opportunity here, and that's how I look at the Facebook situation, to create some momentum around legislation that protects consumers' interest in the Internet -- in net neutrality, in privacy, in data security.

And there may be an opportunity, since I do think the primary problem here is political, to bring Democrats and Republicans together, each of whom may have their own interests in this broader space to create a significant piece of legislation to protect consumer rights on the Internet.

MR. LEWIS: Randy, just to be clear, I think David's talking about uniform protections. I think we want comprehensive protections.

In some instances, certain types of information, perhaps, or certain sectors are more sensitive than others. That's why we have sector-specific regulations for privacy in healthcare and in banking, and traditionally in communications networks.

And so I think we want to respect the uniform need to protect privacy, but there's nothing wrong with doing it through different agencies. And you're right: Congress can make this happen. Congress has done it before. They did it in setting up this hub-and-spoke model of sector-specific at some level; and then an FTC that has broad jurisdiction but weaker, narrower authority or power.

MR. MAY: Okay. Thank you. I'm really glad Chris is here. Sometimes when I'm listening to him, it reminds me of that basketball of a shot rolling in, and it looks like it's going in, and it rolls around again, and then it might pop out.

MR. LEWIS: I get to the point eventually.

(Laughter.)

MR. MAY: Okay. I want to switch gears for a minute and maybe throw Jeff a curve ball. But I think it's important. There's a lot of discussion now that's going on about the administration's trade policies and tariff policies. As you know from the introduction of Jeff earlier, he has global responsibilities. Cisco is one of our nation's technology leaders.

So take just a minute or two if you have a reaction to any of this. I'm sure we'd like to hear it.

MR. CAMPBELL: Well, yes. This is a tougher question than the privacy question, Randy.

MR. MAY: I know. That's why I asked it.

MR. CAMPBELL: I think we're very committed to free trade and committed to open markets. And it's a two-way street. You have to have all countries and everybody working together in a global trading system that creates a level playing field both for competitors but also across the countries. And there are often challenges, and many of the challenges have been identified by the administration in some of the issues in their Section 301 report.

The area that I have the greatest concern is the use

of blunt force weapons to try to deal with this problem. Tariffs are very crude ways of dealing with problems in the international trading system that need to be addressed, and will often tend to penalize people who aren't at fault for the problems that are there, harm consumers because essentially, at the end of the day, tariffs are taxes, and those costs do get passed on to consumers, and are very crude tools that don't actually solve the specific problems that they're trying to address going forward here.

I would suggest that a stronger way of dealing with these issues is trying to work directly with the areas that are relevant to concern -- whether we're having intellectual property loss, whether companies are being pressured or forced into doing things that they don't want to do in order to gain market access in places that they should have market access.

And I think we need a more nuanced approach that is headed towards a goal of creating open markets and a level playing field rather than managing markets via tariffs or by market access agreements. We've tried those many times in the past. Famously with autos, it didn't work

particularly well. And I don't think it's going to work particularly well in this instance.

So those would be my thoughts. We have yet to see what the full implications of these decisions are going to be.

MR. MAY: Okay. Thank you. I just want to end up with this question to the panel because as I said earlier, after David's remarks, it's not all about net neutrality. The theme of the conference is "connecting all of America."

And so I'm going to just ask you about the FCC's Lifeline proposals. We're proud free market advocates at the Free State Foundation. And we think we're consistent and principled on that score.

But I've always actually been a long-time advocate of a Lifeline program that's effective and works. We, of course, don't want waste, fraud, and abuse. But to me, that's a safety net program that, if run properly, is important in achieving the goal of connecting all Americans, and in this case low-income persons.

The Commission has proposals. I've actually commented and questioned them. But specifically, with regard to

those Lifeline proposals and whether the requirement that only facility-based providers can participate and receive the support, do you have comments? Maybe Kathy and Chris might be the most likely candidates.

MS. GRILLO: Yes. We participated in that proceeding. I think our focus has always been on the national verifier database and making sure that that is up and running. That was a really important reform for a lot of reasons that not only helped eliminate some of the waste, fraud, and abuse, but also just made the program more streamlined, made it easier to participate, made it more fair.

So that's what we've been focusing on with our engagement at the Commission, kind of similar to what Dr. Turner-Lee said before.

MR. MAY: Okay. Chris, you are going to get the last word here.

MR. LEWIS: On Lifeline, I also agree with Dr. Turner-Lee. It's important that we don't let the passion for eliminating waste, fraud, and abuse, which is important in government programs, to lead to policy decisions that limit a program that is an essential safety net, I think,

like you said, Randy.

And so where it leads to caps on the Lifeline program, it can be harmful to the folks who need it. Where it leads to dialing back the availability of companies that may offer the service, or even where it leads to not moving to a path where you can have the choice of having stand-alone broadband funded by the Lifeline program to match the direction that the industry is going with this convergence, I think is something that we'd be concerned about.

You can do that and you can look at waste, fraud, and abuse at the same time. And so I would agree with what Kathy said.

MR. MAY: Okay. Now, please, I want you to join me in thanking this panel. It was great. We appreciate it. They were terrific.

(Applause)