

Chairman Pai Launches Rollback of Recent FCC Actions

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The FCC retracted actions related to net neutrality, network security, media ownership, and other hot-topic issues in a series of orders issued late Friday. The orders represent the first major salvo in Chairman Pai's promised rollback of actions undertaken during the final days of former Chairman Wheeler's tenure. Chairman Pai called the overturned actions examples of "midnight regulations" that were not supported by the new Republican-majority FCC. The action signals a significant pivot in the approach and substantive priorities following the change in Presidential administrations.

The rollback included:

- Terminating investigations into mobile broadband providers' sponsored data and zero-rated offerings. The Wireless Bureau previously informed AT&T and Verizon that their offerings likely violated the open internet rules by favoring affiliated video content over competitor programming. On Friday, letters addressed to AT&T and Verizon, as well as T-Mobile and Comcast, stated that the FCC closed the investigations with no violation findings. In addition to closing the probes, the FCC also set aside the framework for investigating sponsored data and zero-rated offerings announced earlier this month.
- Cancelling an inquiry into the development of security practices for 5G networks and technologies. The inquiry sought input on incorporating principles of confidentiality, integrity, and availability into next-generation networks, while assessing the costs and benefits of managing security threats in 5G environments. The FCC closed the inquiry's docket and will no longer accept comments on the issue.
- Withdrawing guidance placing additional scrutiny on certain broadcast license assignments and transfers. The guidance stated that transactions involving broadcasters in the same market with contingent financial interests or sharing agreements would receive "careful" FCC scrutiny. The withdrawal impacts all transactions currently under FCC review.
- Revoking nine recently granted authorizations to provide Lifeline-supported broadband service.
 The companies received the authorizations following the FCC's new procedure under the Lifeline program to directly authorize broadband service to low-income consumers. The order states that the companies must undergo further review and potentially adopt additional procedural safeguards before the FCC will restore the authorizations.
- Rescinding admonishments against multiple broadcasters for violations of the FCC's political file
 rules. The admonishments clarified recordkeeping obligations imposed on licensees regarding
 the purchase of airtime by political candidates and issue advertisers. The allegations against
 the broadcasters now will be handled by the full Commission.

Retracting white papers on digital infrastructure improvements and cybersecurity risk
reduction. The papers advocated accelerating private investment in broadband deployment and
integrating security by design concepts into consumer devices. The FCC also retracted a
progress report on modernizing the E-Rate program supporting schools and libraries. The orders
indicated the reports and papers would have no impact on FCC decisionmaking going forward.

The orders generally do not provide an explanation for the rollback or indicate whether or when the full Commission will reconsider these issues. The rollback came from several FCC bureaus headed by Chairman Pai's recent appointments and primarily targeted actions taken by the bureaus on delegated authority over the last 30 days. Federal regulations allow the FCC to modify or set aside bureau actions within 30 days for any reason.

The orders signal a potential curtailment of the delegated authority wielded by the bureaus under former Chairman Wheeler. But it remains to be seen whether the orders also represent the "first step" in rolling back other major hallmarks of the previous administration, including the 2015 Open Internet Order and 2016 Broadband Privacy Order. Such action would require further rulemaking or reconsideration by the full Commission.