Pai Aims to Reverse FCC Privacy Rules, Pushes Vote

<u>FCC's Pai seeks reconsideration of broadband privacy rules, may pause one</u> <u>element of rules if no immediate vote; Part of GOP's dual FCC-Congress plan</u> <u>to roll back privacy rules, restore authority to FTC</u>

By <u>Kyle Daly</u>

The Federal Communications Commission is moving to roll back privacy rules for broadband internet service providers, in GOP chairman Ajit Pai's most high-profile bid so far to undo the legacy of his Democratic predecessor. The commission approved the rules last October, to the dismay of providers such as AT&T Inc. and Comcast Corp. Pai is asking the FCC's other two commissioners to vote on staying a data security requirement of the rules set to go into effect March 2, an agency spokesman said Feb. 24.

That element was one part of the rules various broadband industry groups, led by trade organization US Telecom, have challenged at the commission. It's unclear whether Pai intends to eliminate all of the privacy rules or just portions of them.

The Republican-controlled FCC wants to bring its privacy rules, which cover broadband providers such as Comcast and AT&T, in line with those maintained by the Federal Trade Commission, which monitors the privacy practices of internet content companies such as Facebook Inc. and Alphabet Inc.'s Google.

"It sends a signal that Chairman Pai is interested in having one set of privacy rules that apply across the entire internet ecosystem," Rick Boucher, a partner at Sidley Austin LLP and former Democratic congressman from Virginia, told Bloomberg BNA about the announcement. Boucher has criticized the rules for being out of sync with FTC standards.

The rules the commission approved under former Democratic chairman Tom Wheeler last October differed from the FTC's approach in that the FCC required express consumer consent, known as "opt-in," before an internet service provider can collect and use data, including web browsing and app usage history.

The FCC's Wireline Competition Bureau will stay the data security requirement on its authority if all three commissioners decline to vote by March 2. That element, a relatively minor part of the rules, requires broadband providers to engage in reasonable practices when it comes to protecting customer data from cyberthreats.

Lone Democratic Commissioner Mignon Clyburn is not likely to vote on the item before March 2. Clyburn said in a statement that Pai "has created an unfortunate dilemma: accept a Bureau-level action that indefinitely unwinds key consumer privacy protections established by the FCC last year, or accept four business days (rather than the usual three weeks) to evaluate and vote on a decision that has massive ramifications for the security of private information held by broadband providers."

But even if Clyburn declines to vote, Pai's request moves the FCC closer to rolling back the rules. The FCC spokesman said the stay, regardless of whether it comes at the bureau level or from the full commission, will take effect pending a full vote on all the challengers' reconsideration petitions. That vote could happen as soon as March 23, the date of the agency's next open meeting. The efforts run in tandem with a push from GOP lawmakers to invoke the Congressional Review Act to wipe the rules from the books. It's unclear if FCC action would affect the congressional plan.