

Telecoms—one-time opponents of net neutrality—may soon have a change of heart toward the push for a federal standard

Article

AT&T **announced** it will no longer offer data cap exemptions for use of its in-house HBO Max streaming platform and other partners in its “Data Free TV” program, effective March 25. The reason for the change? California’s net neutrality law, which prevents ISPs and carriers from giving preferential treatment to their own services by excluding its use from calculating subscribers’ data allowance—a practice called **zero-rating**—and which essentially negates AT&T’s ability to offer “Data Free TV.” In its announcement, AT&T implored federal lawmakers to develop a unified, national standard: “A patchwork of state regulations, many of them overly restrictive, creates roadblocks to creative and pro-consumer solutions.”

California’s economic heft and its leading role as a policy innovator make its rigorous net neutrality protections particularly threatening to telecoms. The legislation, which **passed** into law in 2018, was prompted largely by the FCC’s **decision** to scrap existing net neutrality protections under then-President Donald Trump. Despite yearslong efforts by telecoms to block and forestall the law from taking effect, a federal judge last month **greenlit** California to begin enforcement. California plays a uniquely outsized role in shaping federal legislative efforts due to its sheer size and **economic** power, and has repeatedly led national policy innovation on **climate change**, car **emissions**, and **data protection**.

In the vacuum left by repealing the federal standard, net neutrality has become an increasingly complex tapestry of state protections. Aside from California, six other states have already **passed** net neutrality legislation, while **nine more** have introduced laws this year. The patchwork of individual state policies is quickly becoming a cramped and challenging labyrinth which telecoms must navigate.

Ultimately for telecoms, as for Big Tech with data privacy, it’s simply more desirable to deal with single, unified federal standards—which could be shaped favorably through lobbying—than to adapt to discrete state laws. With the Biden administration signaling strong support for net neutrality protections, that may soon come to pass. The new administration recently **dropped** a Trump-era DOJ lawsuit seeking to overturn California’s net neutrality law, and has **appointed** several **well-known** proponents of net neutrality to key positions within the administration. Net neutrality is also **overwhelmingly** popular—more than 4 out of 5 US adults (82%) supported net neutrality, **per** a 2019 Comparitech poll—another factor making federal legislation an increasingly real prospect in the near future.

Net Neutrality's Wide Appeal

% of US adults by political affiliation, March 2019

Overall



Democrat



Independent



Republican



■ Support

■ Oppose

Source: Comparitech, March 2019

Methodology: Comparitech used Amazon Mechanical Turk to administer online surveys to 1,003 US adults on March 13, 2019; 60% of respondents identified as millennials, 27% as Gen Xers, and 11% as baby boomers.

1037201649144

[InsiderIntelligence.com](https://www.insiderintelligence.com)