

Technology and Telecommunications

Few economic sectors rival the technology and telecommunications industries in how rapidly—and momentarily—they have evolved. Across the globe, the Internet and high-tech firms have reshaped how we work, live, and interact with one another. Just three decades ago, only a sliver of the population could afford mobile phones, while the World Wide Web had not yet been invented. Today, mobile devices outnumber people—and nearly one in two people uses the Internet. Massive investment in information technology and infrastructure has fueled innovation, enabling global productivity to grow tremendously, creating tens of millions of high-skilled jobs around the world, and making our lives better in ways few could imagine two decades ago.

As technology evolves, new challenges invariably arise, including for policy makers. Setting the wrong rules could stifle the high-tech economy, especially if lawmakers bow to pressure from influential business interests or self-proclaimed consumer advocates to saddle emerging technology markets with arbitrary regulations or draconian liability regimes. That does not mean that government officials should simply ignore disruptive innovations. To the contrary, newcomers who redefine existing markets—or create new markets—often merit a reevaluation of rules to eliminate legal obstacles to innovation. And as history has shown, most concerns expressed about novel technologies eventually prove unfounded or overblown, especially given our capacity to adapt to a changing world without help from central planners.

As lawmakers consider how to govern the technology and telecommunications sectors, new mandates or prohibitions should be avoided in all but the most exceptional circumstances. To the extent that new services or tools raise legitimate concerns about public health, consumer protection, or competition, lawmakers should resist the urge to act until they see how voluntary institutions—including not only the marketplace but also the rest of civil society—react to supposed market failures if and when they arise. In the unlikely event that legislative intervention is necessary, Congress should change the law using a scalpel, not a sledgehammer.

At the same time, lawmakers should break out the sledgehammer when it comes to tearing down convoluted statutory schemes devised in an earlier era—especially when such schemes are administered by independent agencies, many of which are pulling out all the stops to remain relevant in a world where they no longer have a useful role to play.