



April 22, 2008  
The Honorable Daniel K. Inouye  
722 Hart Senate Office Building  
Washington, DC 20510-1102  
ATTN: Telecom Legislative Assistant

Dear Chairman Inouye:

How many times must Congress debate “net neutrality” before it realizes that there is no real problem to address? In the two years this issue has been before Congress, the Internet has flourished and hasn’t needed “saving.” None of the handful of alleged net neutrality incidents that activists consider problems -- are without very legitimate consumer-protection explanations. Moreover, these alleged incidents represent an infinitesimal amount of Internet traffic, the literally billions of communications that the thousands of American ISPs deliver weekly without problems.

Succinctly, there are two key political questions for the Senate Commerce Committee to consider:

**1. Is net neutrality a mainstream issue worthy of legislation?**

- See my attached one-pager: “*Why Net Neutrality is Not a Mainstream Issue*,” for an explanation why net neutrality is really a fringe issue and a factional business dispute. It also explains why net neutrality is neither sound Democratic public policy nor sound Republican public policy.

**2. Why legislate now?**

- Why preemptively regulate the Internet economy during an economic recession?
- Why risk worsening the recession with economic unintended consequences?
- Why threaten jobs and job creation in a relatively healthy part of the economy?
- Why discourage broadband deployment to all Americans by freezing broadband investment critical to building the needed new capacity to handle Internet video?
- Why impede progress toward a more green broadband economy by discouraging the positive green trend towards more broadband telecommuting?

The bottom line here is that Congress has many legislative priorities that are more important, urgent, justified, ripe and legitimate, than tackling the wholesale reversal of Congress’s bipartisan and successful Internet policy: “*to preserve the vibrant and competitive free market that presently exists for the Internet...unfettered by Federal or State regulation.*” If it’s not broke, don’t fix it.

Please see the attached one pager and visit [www.NetCompetition.org](http://www.NetCompetition.org) for more information.

Sincerely,

A handwritten signature in black ink that reads "Scott Cleland".

Scott Cleland, Chairman, NETCompetition.org

## Why Net Neutrality is Not a Mainstream Issue

*It's not a Democratic vs. Republican issue; it's a fringe vs. mainstream issue.*

### Net Neutrality is a fringe issue and a factional business dispute.

- **Legislating Network Design?** Columbia Law Professor Tim Wu, who coined the term “net neutrality,” said it “*is best defined as a network design principle.*” Why would Congress want to pass a permanent law that freezes in place a 30-year-old network design and effectively forecloses future network design innovation and the emergence of a new next-generation Internet?
- **Dumb or Smart Network?** Technically, net neutrality is about whether the Government dictates that broadband networks must be “neutral” or “dumb” with “intelligence” limited to the network edge, or allows networks to be “smart” with “intelligence” included in the network.
- **Silicon Valley Factions:** Cisco states: “*Innovation inside the network is just as important as innovation in services and devices connected to the Internet.*” Google & eBay seek network neutrality regulations that proactively favor “edge” innovation in services and devices.
- **Online-Broadband Factions:** Online business interests believe Internet consumers should shoulder the cost of maintaining/upgrading the Internet; broadband interests believe online producers should help consumers shoulder the cost of maintaining/upgrading the Internet.

### Net Neutrality is not sound Democratic policy.

- **Highly-Regressive:** A neutral or “one-tier” Internet would be highly-regressive because lower-income, low-bandwidth-usage consumers would be forced to subsidize the spiraling costs caused by the highest-bandwidth users and the biggest most-profitable online companies.
- **Abandons Key Priorities:** A neutral Internet would disallow “prioritization” of traffic for key Democratic priorities: *emphasizing and helping* public safety, first responders, the disabled community, schools, libraries, telemedicine, and rural/underserved areas.
- **Slows Universal Broadband Adoption:** Internet regulation of access prices, terms and conditions, would discourage necessary infrastructure investment and destroy incentives to rapidly deploy broadband to all Americans, especially in rural and under-served areas.
- **Corporate Welfare:** The online companies, which use the most bandwidth and benefit the most from the Internet, would pay the least under a neutral one-tier Internet. In a one-tier neutral Internet, consumers increasingly subsidize the spiraling usage of online companies.

### Net neutrality is not sound Republican policy.

- **Internet Regulation:** Net neutrality would reverse Congressional policy: “*to preserve the vibrant and competitive free market that presently exists for the Internet...unfettered by Federal or state regulation.*” Net neutrality would also reverse the competition purpose of the 1996 Telecom Act “*to promote competition and reduce regulation...to encourage the rapid deployment of telecommunications technologies.*”
- **Industrial Policy:** Net neutrality would have Government second-guess markets and consumers in determining market winners and losers, demand for new products and services, and deciding which innovation and standards would be encouraged or disallowed.