



## Why Net Neutrality is Anti-Consumer

Why should websites get special government treatment better than everyone else?

- Everyone else, consumers, businesses, broadband providers, and the government have to pay the competitive price for the bandwidth they use and for additional features like mobility. All Internet backbone companies “peer” at different commercially-negotiated rates based on bandwidth and quality.
- Website interests, ecommerce-sellers and bloggers, want special government treatment -- just for them -- one government-set broadband price, with special terms and conditions that consumers don’t get.
- Net neutrality is classic special-interest legislation – elaborately dressed–up in pro-consumer, pro-free speech garb -- to make it sound less self-serving.

Why is net neutrality not in consumers’ interests?

- Net neutrality promotes the interests of sellers by lowering their costs of distribution. Consumers are buyers with different interests, to save money, and not be inundated with spam and endless junk e-mail.
- At its core net neutrality is a clever lobbying ploy by website interests to shift normal business distribution costs to the consumer. Net neutrality is effectively pro-junk-e-mail legislation, because under net neutrality consumers pay for most all the cost of the junk-email they receive not the spammer.

Why should consumers have to foot the entire broadband bill when they don’t have to?

- Consumers don’t have to pay for the cost of search or pay for broadcast TV or radio – advertisers do.
- Advertising-supported models are a proven way to reduce the cost burden on consumers.
- Net neutrality would ban alternative business models for broadband, like advertising, that could reduce the consumers’ costs and provide consumers with more diversity of broadband service choices.

If net neutrality is anti-consumer, why are consumer groups backing it?

- Consumer groups apparently have made the tactical political judgment that “the enemy of their enemy is their friend.” However, they may be mistaken that being lobbying allies in their longtime battle against telecom and cable de-regulation does not necessarily make net-neutrality a pro-consumer policy.

Why is net neutrality a losing trade-off for consumers?

- Net neutrality may offer the potential benefit of protecting some websites, not consumers, against potential anti-competitive harms, which haven't happened, but might happen in the future.
- However, this would come at the real cost of: a slower and less responsive Internet; higher broadband prices and taxes for consumers; less diversity in the broadband market; slower broadband deployment to all Americans; and less privacy for all because net neutrality would require more government monitoring and surveillance of Internet traffic to enforce unequal commercial treatment.

Why is net neutrality not the Internet's "First Amendment?"

- Net neutrality advocates have mischaracterized the First Amendment's protection of freedom of speech by implying it is analogous to the need for net neutrality regulation of private companies. The founding fathers feared and restricted the government's ability to limit the people's freedom of speech.
- What is a bigger threat to Americans' freedom of speech? The increasing diversity of private sector competition? Or encouraging government to limit commercial freedoms and conduct monitoring and surveillance of Internet traffic to ensure that all Internet bits are treated commercially equal?

NETCompetition.org is an e-forum to promote a rigorous debate on the merits of net neutrality legislation. It is funded by a wide range of broadband telecom, cable and wireless companies who believe that the best way to guard a free and open Internet is free and open competition, not more government control of the Internet. Please see [www.netcompetition.org](http://www.netcompetition.org) for more information.



## Q&A One-Pager on Net Neutrality

### **Doesn't the Internet already have tiers?**

- Yes. Consumers have long been able to choose from a variety of Internet access tiers: dial-up, the “slow lane;” different speeds and prices of broadband, the “fast lanes;” or WiFi access, the often “free” lane.
- Internet backbone businesses have long “peered” differently with tiers based on size and bandwidth.

### **Are all bits treated equally on the Internet today?**

- No. For a variety of legitimate reasons internet traffic is treated differently. *Economics/competition:* People pay for different speeds based on their individual needs and means. *Law enforcement/public safety:* Need to be able to treat bits differently to prioritize for 911 and first responders. *Network security/quality of service:* Networks block spam and viruses; manage bandwidth to guarantee service.

### **Are all websites treated equally today?**

- No. It is common industry practice for search engines to give preferential treatment in search results to websites or “sponsored links” that pay them the most money for top placement. That’s competition.

### **Is there sufficient broadband competition?**

- Yes. Competition is flourishing and increasing. In addition to cable modems, DSL, WiFi and satellite broadband, there are increasingly, 3-5 wireless broadband options and broadband over power lines.
- Faster/cheaper microchips continue to drive the increasing number of broadband access alternatives.

### **Is net neutrality -- neutral?**

- No. There’s nothing neutral about the government: dictating one and only one way to design networks; creating an innovation double standard where innovation *at the edge* of the network is encouraged but discouraged *inside* the network; or rigging the game by picking winners before the game is played.

### **Would net neutrality discourage innovation?**

- Yes. In truly Orwellian logic, net neutrality proposes that the only way to protect innovation is to restrict it. Innovation is all about being different, the freedom to be different. Net neutrality mandates sameness.

**Would net neutrality reverse current Congressional policy toward the Internet?**

- Yes, Congress's current policy for the Internet is *"to preserve the vibrant and competitive free market that presently exists for the Internet...unfettered by Federal or state regulation."*

**Would net neutrality reverse the competition purpose of the 1996 Telecom Act?**

- Yes. In choosing regulation to promote technology innovation at the edge of the network, net neutrality would reverse the successful purpose of the 1996 Telecom Act which is: *"to promote competition and reduce regulation...to encourage the rapid deployment of telecommunications technologies."*

**Are there potential unintended consequences from net neutrality?**

- Yes. Sweeping and rigid net neutrality legislation could: hinder public safety and homeland security; complicate protecting Americans privacy; erode the quality and responsiveness of the Internet; limit consumers' competitive choices; and discourage investment in broadband deployment to all Americans.

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