



May 16, 2006

The Honorable Olympia J. Snowe
Senator
United States Senate
154 Russell Senate Office Building
Washington, DC 20510

Dear Senator Snowe:

As you and Senator Dorgan (D-ND) continue drafting your joint “net neutrality” legislation, TeleCONSENSUS—a broad-based coalition that advocates modernizing the nation’s telecommunications laws—urges you to reconsider the need for this bill. “Net neutrality” legislation addresses a problem that does not yet exist. This bill is unnecessary and has the potential to stifle new investment in broadband network infrastructure, stall the introduction of innovative technologies, and hinder consumer choice.

TeleCONSENSUS opposes any attempt to place economic regulations on new technology. Legislating “net neutrality” would, for the first time, impose this type of regulation on the Internet. The Internet has succeeded precisely because it has not been burdened with government regulation. Telecommunications markets should be driven by advances in technology, competition between telecommunications companies, and consumer choice, not by government regulation. Indeed, the intense competition between cable operators, phone companies, and others for broadband customers requires providers to quickly respond to market developments and offer differentiated services to attract business. The various pricing plans offered to broadband subscribers today are but one example of this phenomenon.

Telecommunications companies are building broadband networks throughout the United States, and applications and content are being developed for these networks. U.S. broadband penetration rates are rising, and as of February 2006, 68% of U.S. households with Internet access subscribed to broadband, up from 53.4% in February 2005. Now is not the time to introduce rules that would inflict regulatory uncertainty, stifle investment, slow the development of new technologies, and inhibit U.S. economic development and competitiveness.

Anticipatory regulation must be rejected. The FCC’s net neutrality principles are working. The principles state that consumers are entitled to access legal content and applications via the Internet or to connect devices, such as an Xbox™ or an iPod™, to the Internet. There is no evidence that broadband service providers plan to interfere with traffic from competing providers or slow down the service of some sites in favor of others. Moreover, bad actors can and will be punished by the market, and in many cases, by the FCC.

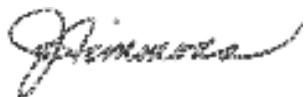
To ensure that our nation creates an economic climate that fosters innovation and investment in its telecommunications industry, and to educate Congress and the public about the benefits of an economically robust telecommunications system, the U.S. Chamber of Commerce, the National Association of Manufacturers, and the National Black Chamber of Commerce have formed the TeleCONSENSUS coalition. TeleCONSENSUS is made up of trade associations, chambers of commerce, telecommunications providers and equipment manufacturers, businesses, and consumers.

Thank you in advance for considering these comments. TeleCONSENSUS looks forward to continuing to work with you and Senator Dorgan as the legislation goes forward.

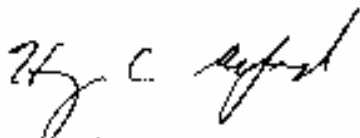
Sincerely,



R. Bruce Josten
Executive Vice President
U.S. Chamber of Commerce



Jay Timmons
Senior Vice President, Policy and Government Relations
National Association of Manufacturers



Harry Alford
President and Chief Executive Officer
National Black Chamber of Commerce



Michael L. Barrera
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