



June 22, 2006

MEMBERS OF THE SENATE COMMERCE, SCIENCE, AND TRANSPORTATION COMMITTEE:

As you prepare to markup S. 2686, the Communications, Consumer's Choice, and Broadband Deployment Act of 2006, TeleCONSENSUS—a broad-based business coalition that advocates modernizing the nation's telecommunications laws—urges you to reject any amendment that would expand the “net neutrality” language contained in the bill.

This type of amendment is unnecessary and will deter new investment in broadband network infrastructure, slow the deployment of innovative technologies, leave consumers with fewer choices and higher prices, and harm the ability of the United States to compete globally.

The Internet is like a highway. Without enough lanes to accommodate the volume of cars, traffic jams occur. Widening the highway reduces congestion. The same principle applies to the Internet. Information traveling on our nation's information superhighway will increase 500-fold by the year 2020 as demand for multimedia applications increases. Securities analysts at Bernstein Research and other investment banks estimate that deploying ultra-high-speed networks will cost as much as \$400 billion. Expanded “net neutrality” provisions will create regulatory barriers that deter investment in these high-speed broadband networks, which will ultimately hurt every American and, certainly, the nation's small businesses.

By failing to keep pace with technologies being deployed in the rest of the world, the United States will suffer severe economic consequences as companies move jobs overseas and innovative technologies are invented elsewhere. As Dr. John Rutledge, consultant to the U.S. Chamber of Commerce and President of Mundell International University Business School in Beijing, China, noted in his recent testimony to your committee, “there is an intense global competition for capital underway. Workers in the United States are not competing with other states for jobs. Our workers and businesses are competing with China, India, Korea, and other Asian economies for the capital to build businesses.”

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. 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.

“Net neutrality” is anticipatory regulation and must be rejected. There is no evidence that broadband service providers plan to interfere with traffic from competing providers or to slow down the service of some sites in favor of others. Moreover, the intense competition among broadband service providers makes discrimination highly unlikely.

Led by the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Black Chamber of Commerce, and the United States Hispanic Chamber of Commerce, TeleCONSENSUS represents more than 190 chambers of commerce, trade associations, telecommunications providers and equipment manufacturers, businesses, and consumers.

Thank you in advance for your consideration of these comments. TeleCONSENSUS looks forward to working with you as the legislation moves forward.

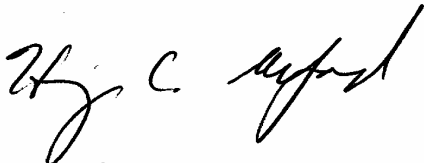
Sincerely,



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  
President and Chief Executive Officer  
United States Hispanic Chamber of Commerce