

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 for more information.