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**NCTA Urges Congress to Reject Network Neutrality Regulation Proposal
That Would Stifle Innovation and Raise Consumer Prices**

WASHINGTON, D.C. - National Cable & Telecommunications Association (NCTA) President & CEO Kyle McSlarrow today sent a letter to all Members of Congress urging them to reject network neutrality regulation because it, "would stifle innovation in broadband networks and act as a tax on broadband, slowing its growth and reach to all Americans."

The full text of McSlarrow's letter follows.

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"April 25, 2006

The Honorable Joe Barton

Chairman

Committee on Energy and Commerce

* An Amazon.com representative made the same point twice when asked during separate March panel discussions: It "makes perfect sense" for carrier customers to pay for bits they use. It's up to consumers how many bits they use, he said: "Bits don't flow unless the consumers want them.[2] It's one thing for network operators to charge more to end users for specialized services, "just don't charge providers," he said.[3]

"Just don't charge providers." Instead, put 100 percent of network costs on the end-user customers who access and use Internet services. Today's thriving and unregulated marketplace has already begun to adopt a number of different models that are maximizing broadband deployment and use. But, it is highly unlikely that consumer welfare will be enhanced by simply codifying in statute the business plans of well-resourced, well-capitalized companies which benefit from the massive private investment of broadband providers.

Other proponents have other ideas of what net neutrality regulation would entail, but in all its flavors, it would replace the workings of the marketplace with government regulation, and choose today what business models are, and are not, permissible. But as consumer needs and uses continue to evolve, the very worst thing would be for government to attempt now to write these rules in stone.

Some say the net neutrality principles they espouse would be very simple and easy to apply, and would just preserve the status quo. But each of these premises is wrong.

First, any form of net neutrality government regulation would add new costs and uncertainty as well as create the prospect of long and costly lawsuits. Second, bandwidth usage has grown exponentially and will continue to do so. As a consequence, significant additional investments by broadband providers will be needed. If certain business models are outlawed, the ability of broadband providers to make the necessary investments and of customers to have varied service plans that will meet their pocketbooks, will be compromised. There simply is no one-size-fits-all model that can be chosen today, and no ability today to forecast the changes that will be needed in the coming years.

The marketplace is working well to bring consumers the services and features they want at prices they can afford. Lawmakers should be very reluctant to replace that flexible, market-driven success story with a system of intrusive regulation.

At a time when there is widespread agreement that our national policies should maximize broadband for all, I urge you to reject a proposal that would stifle innovation in broadband networks and act as a tax on broadband, slowing its growth and reach to all Americans.

Sincerely,

Kyle McSlarrow"

[1] Testimony of Vincent Cerf , U.S. Senate Commerce Committee Hearing on Net Neutrality, Feb. 7, 2006

2 Communications Daily, March 21, 2006, "Net Neutrality Permeates TelecomNext Regulatory Debate"

3 Communications Daily, March 24, 2006, "Network Neutrality Debate Focuses on Who Pays, How"

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NCTA is the principal trade association for the U.S. cable industry, representing cable operators serving more than 90 percent of the nation's cable television households and more than 200 cable program networks. The cable industry is the nation's largest broadband provider of high-speed Internet access after investing \$100 billion over ten years to build a two-way interactive network with fiber optic technology. Cable companies also provide state-of-the-art digital telephone service to millions of American consumers.