



## **Preserving Innovation and Openness on the Internet**

The Internet is a global engine for innovation and economic growth. Skype was invented about three years ago and today, over 100 million people have chosen free or inexpensive Internet calling using the open Internet. The bedrock principle that has fueled Skype's growth is known as "network neutrality." Unless Congress acts now, the cable operators and telcos - not consumers - will decide which content and applications succeed or fail on the Internet. Congress must counter the network operator's incentive to change the Internet into a "two-tiered, pay to play" system that forces out services that refuse to pay fast-lane tolls.

### ***The Danger is Real, Network Neutrality is a Solution to a Current, Growing Problem***

- There is a clear and present danger to the open Internet. Telcos have a natural incentive to degrade free voice services that compete with their businesses. Already, large telcos limit consumer choice for VoIP applications over their wireless Internet access services.
- The time to act is now. Legislating after additional problems surface is unwise, because discriminatory business models will have already taken root.

### ***Congress Should Adopt a Balanced Network Neutrality Law***

- Congress can have Network Neutrality, vibrant innovation *and* broadband deployment. All three pieces are necessary to reverse the U.S. slide in international broadband rankings.
- Cable and telcos are not the only companies who have invested. Internet application companies and content providers have invested billions to provide consumers with a reason to subscribe to broadband.
- Allowing network owners to discriminate is the worst way to foster broadband deployment. If rural areas need subsidies, it is the role of universal service to help where it is too expensive to build broadband.

### ***Network Neutrality Leaves the Telcos and Cable Operators with Enormous Flexibility***

- Network Neutrality legislation is narrowly targeted at stopping one kind of business deal: discriminatory deals that harm consumers.
- With Network Neutrality legislation, network owners will be free to compete for video, voice, and other specialized business services.

### ***Skype Supports Legislation That:***

- Guarantees consumers will continue to use the Internet as they wish.
- Empowers consumers to attach any software or device to their Internet access services so long that they do not harm the network.
- Ensures that network owners will not discriminate against unaffiliated content and services.

Contact: Christopher Libertelli, Director of Government & Regulatory Affairs, 202-470-3230