



Let the Internet Grow

Verizon is and always has been a strong supporter of Internet neutrality.

Verizon advocated the “Connectivity Principles” created by the Broadband High Tech Coalition and adopted by the FCC. The principles say that consumers can get full access to any Web site; run any application; use any devices that don’t harm the network; and, receive info on terms/conditions of their internet access services.

Consumers have more broadband choices than ever before.

Telecom, cable, satellite and wireless broadband providers are competing head-to-head for customers. More than 80% of Verizon’s lines are DSL capable. 84% of households have access to cable broadband. In many rural areas, nearly 80% of customers can get DSL. Verizon and other carriers are deploying fiber broadband networks across the country. Verizon has passed 3 million homes in 2005 and will double that in 2006. Verizon Wireless provides broadband wireless reaching 150M people in 181 markets, and we continue to expand. Sprint and Cingular offer similar services. DirectTV has announced an investment of up to \$1B in a new, nationwide wireless broadband network. Clearwire and other companies are providing fixed wireless broadband services to residential and small business customers. Intel has announced a \$150M investment in Clearwire to accelerate deployment. Broadband-over-power lines (BPL) is currently available in more than 40 markets. In mid-2005, Google, Goldman Sachs, and the Hearst Corp. announced a \$100M investment to deploy BPL.

Broadband comes in a variety of speeds and prices – ranging in speeds from 1 to 30 mbps, and at prices starting as low as \$14.95 per month. Because of all the investment in networks, consumers have the opportunity to enjoy two-way, real-time broadband services and applications, like video streaming, buying music, e-commerce, and online gaming and learning. In the broadband world consumers decide what equipment, what provider, what speed, what content, and what services they want.

Legislation that regulates broadband access will stifle investment and innovation.

It is fundamental to our network business to provide high-quality, reliable service that customers require and that applications providers demand. As more and more bandwidth becomes available, network operators and “edge” providers need the flexibility to explore new business models to meet consumer demand. Some newer broadband applications, like video streaming, use 20x the capacity of others and impact all Internet users. Other applications, like financial transactions, require extraordinary levels of security. And still others, like healthcare monitoring, require no-fail connectivity. All broadband providers, whether operating networks or providing content, services or applications, have an interest in developing good solutions to these and other challenges. It benefits everyone – consumers and providers – to let innovation occur as companies compete to meet demand. Government should encourage, not discourage, this kind of competition.

“Hands-off” the Internet is still the right way to go.

The Internet and broadband have flourished because Congress has taken a “hands off” approach to regulating the Internet. Congress does not need to legislate in the absence of a problem. And there is no evidence of a problem today. Verizon and other broadband providers are expanding broadband deployment and increasing the speeds of their service, thereby enhancing, not degrading, consumers’ enjoyment of all types of Internet content, services, and applications. Advocates of “Net Neutrality” are asking lawmakers to put a virtual lock box on broadband networks. That lock box would serve only to smother broadband deployment, closing down the very tool that is encouraging investment and innovation across the Internet today. A broadband lock box would actually deny consumers choice and access to many of the products and services that now thrive on broadband. Congress should just say, “No.”

The marketplace will protect consumers’ access to the Internet.

Competition among network providers is driving us to deploy networks that are robust enough to provide open access to the public Internet as well as our own value-added services. Internet connectivity is a core revenue stream for network providers. If Verizon or another network provider were to block subscriber access to competing services, our customers would choose a new provider. Competitors will use the media to expose bad behavior – just like the *Madison River* case.

Congress should stay the course – say “No” to Internet regulation and “Yes” to consumer choice and broadband innovation and investment.

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