

The Honorable Gus Bilirakis:

1) Can you elaborate on how you think consumer choice is being impacted by Title II regulation of broadband services?

The imposition of rules that limit the types and variety of business models that can be employed inherently decreases the availability and robustness of broadband networks. Consumers are forced to take a one-size fits all broadband product with minor differences in throughput speeds rather than having the choice of throughput or content desired. These choices could open access to content to a wider variety of mediums and is likely to increase competition for content and content delivery whereby it is stifled today under the current rules.

2) What do you feel is hurting the return on investment and investment metrics you use more, the looming threat of untested legal standards or the increase in industry wide compliance costs and reporting burdens?

The threat of the legal standards is the main culprit at this moment. The rules in effect and the forbearance being applied are keeping the impact of the Open Internet Order at the same industry dampening level of investment and innovation as it always has. Therefore, we believe that returns on investment have already been negatively impacted by net neutrality rules of the past and the Open Internet Order and Title II today. But there is a much more significant threat that the forbearance can be lifted, or forced to be lifted by the courts, and significantly more onerous regulations will be applied. Longer term, all carriers will face administrative burden and costs of complying with the regulations, which lowers margins and investment returns.

3) You describe regulation, when in an effort to prevent problems that have occurred, remains a significant restriction on the industry's ability to innovate. Can you elaborate on the chilling effect to innovation?

If the industry could offer paid prioritization or even allow non-profits or government entities to accept slower services for lower monthly costs, that innovation would bring new sources of revenue, thus new investment into the network. Over the long term, we believe that these products would make the carriers improve their networks and that does benefit all consumers whether they use the products or not. The network needs to be built before any new edge products or transport products will show up, but it will not be built or improved if carriers believe they cannot get a return on their investment. Therefore the restricted investment opportunity flows back to result in less robust networks and fewer edge and content opportunities for consumers.