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April 16, 2018

The Honorable Marsha Blackburn
Chair
House Communications & Technology
Subcommittee
2266 Rayburn House Office Building
Washington, DC 20515

The Honorable Mike Doyle
Ranking Member
House Communications & Technology
Subcommittee
239 Cannon House Office Building
Washington, DC 20515

Re: NAR Opposes Paid Prioritization

Dear Chair Blackburn and Ranking Member Doyle:

On behalf of the 1.3 million members of the National Association of REALTORS® (NAR), I would like to express NAR's belief that open internet rules are necessary to support a wide range of common real estate business practices. These business practices rely on the Internet, which has improved the ability of real estate professionals to offer homebuyers and businesses the tools to make efficient, better-informed decisions when looking for a new home or commercial site. Chief among these critically important rules is a prohibition on paid prioritization.

The Internet has been a driving force for innovation for decades, and our members, their customers, and local communities are benefiting from this innovation every day. The economic growth and job creation fueled by the open Internet is unprecedented in American economic history. This growth has been fostered by the FCC under both Republican and Democratic administrations for over a decade.

Our members, who identify themselves as REALTORS® represent a wide variety of real estate industry professionals. REALTORS® have been early adopters of technology, and are industry innovators who understand that consumers today are seeking real estate information and services that are fast, convenient and comprehensive. Increasingly, technology innovations are driving the delivery of real estate services and the future of the real estate sales businesses. Real estate firms vary widely in size, but the overwhelming majority is composed of very small entities. NAR's most recent surveys indicate that more than half of all realty firms have less than twenty-five agents, and the typical sales agent is affiliated with an independent realty firm with a single office.

Streaming video, Voice over Internet Protocol, cloud storage and mobile applications are commonly used in our businesses today. Without protections from the Open Internet Order, consumers may experience slow or degraded delivery of home search videos creating barriers in the very first step in the home buying process. In the future, new technologies, like virtual reality and telepresence among others, will be available that will no doubt require open internet access unencumbered by technical or financial discrimination.

Paid prioritization of internet content would be especially harmful to our small business members. Small companies will be at a serious disadvantage as larger firms use paid prioritization for anti-competitive reasons. Since studies show that even small changes in web page loading times can have significant impacts on user behavior, a company that



can pay to connect to their users faster will be at a huge advantage. Paid prioritization imposes artificial and arbitrary limits on the speed of some traffic in order to prioritize traffic that has paid a toll. It is inefficient and unnecessary from a traffic management standpoint, and the only rationale for imposing paid prioritization is to shake down businesses on the internet that consumers are already paying ISPs to access.

Unfortunately, H.R. 4682, The Open Internet Preservation Act allows ISPs to engage in paid prioritization by making clear the FCC should have no authority over Broadband Internet Access Service (BIAS) other than to prevent the blocking or degradation of lawful internet traffic. As a result, we have serious concerns with this bill.

The benefits of broadband Internet for innovation and economic development are unparalleled. However, the nation will lose those tremendous benefits if the Internet does not remain an open platform, where Americans can innovate without permission and with low barriers to launching small businesses and creating jobs. Given this reality, it is important that Congress enact strong net neutrality protections including a ban on paid prioritization. We look forward to working with you on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth G. Mendenhall". The signature is written in a cursive, flowing style.

Elizabeth Mendenhall
2018 President, National Association of REALTORS®

cc: House Committee on Energy and Commerce