



Etsy CEO: How Net Neutrality Shaped My Life

I was once a newcomer on the web, and I want the next generation of entrepreneurs to have a free and open Internet, too.

I love the Internet. It has powered my career, the company I lead—Etsy—and our community of users. The truth is that a free and open Internet matters to a lot of us. And that’s why I’m so happy to see FCC Chairman Tom Wheeler taking action this week to protect it. If the Internet hadn’t been so wide open to newcomers, it’s unlikely I would have ended up where I am today.

My appreciation of the free and open Internet started in 1993, when I was a newly minted graduate with an English degree, uncertain of my first career move. I took a low-level job doing data entry and filing at the News & Observer in Raleigh, North Carolina. The imposing fortress of filing cabinets that I navigated back then—packed with paper!—happened to sit in a department full of inspired people who were building some of the earliest web sites.

When I expressed curiosity about how the web worked, my colleagues generously offered to help me learn. They pointed me to websites with carefully constructed tutorials on how to build web pages. They told me to look at sites I liked and choose “view source” in my browser menu, which immediately displayed the code behind the page for me to learn from and use. Everything was free and open.

“Free and open” was what made the Internet work then, and it’s a critical principle now. I didn’t have to ask permission to build my first websites. I had unfettered access to materials that helped me teach myself how to code. As I learned more, I quickly came to understand that the Internet was so much more than a network of cables and wires that connected computers around the world. It was a platform for the purest expression of freedom, openness and possibility that I had experienced in my life.

Those early experiences on the Internet inspired me to pursue a successful career in technology, and connected me with people and knowledge from all over the world. Mine is a common story and one we need to protect for future generations.

Today, the free and open Internet is providing even bigger opportunities: democratizing access to entrepreneurship for millions of people, allowing tiny startups to unseat much larger companies and enabling Etsy sellers to compete with bigger, more established brands.

Etsy now hosts over 1.3 million sellers, 88% of whom are women, most of them sole proprietors working out of their homes. Individually they may be small, but together they sold over \$1.35 billion worth of goods in 2013. That’s the power of the Internet. But it only works if net neutrality—the idea that all traffic on the Internet should be treated equally—is protected.

Last January the courts overturned the FCC's attempt to impose net neutrality rules, and I worried not just about the Internet I love, but about all the businesses that depend on it. Until that time, we'd been living under de facto net neutrality rules as a result of earlier FCC actions, under both Republican and Democratic leadership. But in May, it looked as if the FCC would replace the overturned rules with much weaker ones, which would have allowed big companies to pay for faster access to consumers, putting them in the "Internet fast lane" and leaving the rest of us in the "slow lane."

Without strong rules, Etsy and the people who depend on our platform would suffer. We charge just 20 cents to list an item and take only 3.5% of every transaction. If broadband companies can charge websites for priority access to consumers, we'd likely have to choose between increasing our fees or leaving Etsy sellers in the slow lane.

Make no mistake, speed impacts the bottom line. Research from Google and others demonstrates that delays of milliseconds have long-term negative impacts on revenue. If people click on an Etsy seller's shop and perceive images loading slowly, they will click away, and that seller will lose the sale. This isn't just about a high-bandwidth service such as video. It's about any business that depends on the Internet to reach consumers, including the entrepreneurs on Etsy.

That's why I, along with many others in the startup and public-interest communities, started encouraging the FCC to establish new rules protecting real net neutrality under the strongest legal authority available to them—Title II of the Communications Act—allowing them to ban paid prioritization, throttling and blocking. The previous rules were overturned by the courts because the FCC used the wrong legal authority to justify them. This time, we want them to get it right.

In the last year we've made our case—not by hiring an army of lobbyists or making political contributions, but by telling the real stories of the people who would be most affected.

I shared Etsy sellers' stories when Chairman Wheeler met with local startup CEOs at our headquarters in Brooklyn, and in conversations with the administration. When I testified at a recent Congressional hearing, I included accounts of Americans who would be affected by the decision. For example, I shared the words of Tina, a seller from Spring Valley, Illinois, who had told us that her family relies on "all my sales to make ends meet. Any change in those and it's the difference between balanced meals for my children and cereal for dinner." I wasn't only representing my company—I was representing our whole community.

Our sellers spoke up on their own, too. Amanda, from Oregon, expressed a common sentiment in her public comments to the FCC:

I am a small business owner and much of my business is conducted online, specifically through Etsy.com. If Net Neutrality is struck down, smaller businesses like mine will have no chance to compete against larger companies, which is bad for both individuals and America at large...the success of small businesses is a success for everyone.

All told, 30,000 members of the Etsy community contacted Congress and the FCC in a single day. Many of them even made products urging the Chairman to protect the open Internet. In total, over four million people submitted public comments to the FCC.

Their voices made a difference. Throughout the year, I was told repeatedly that these stories helped policymakers understand the real-world impact of the issue. Chairman Wheeler often invoked Etsy sellers as the businesses he hoped to protect.

On Thursday, the FCC will vote on clear, bright-line rules that would offer strong protections of net neutrality. I applaud this decisive action.

Some worry that broadband companies plan to challenge the new rules in court, creating uncertainty for businesses such as Etsy. Though a court challenge is likely, we lived under similar conditions between 2010 and 2014, when Verizon challenged the FCC's last set of net neutrality rules, without negative effect. The rules are on much stronger legal footing this time around. I'm optimistic that they will hold up in court.

Congress has also indicated it would like to act to protect net neutrality. It's encouraging to see bipartisan support for the open Internet. If Congress acts, I urge lawmakers to treat the FCC's rules as the baseline for any net neutrality law, not the high water mark. It's also important that any new law preserve the FCC's ability to address new, unanticipated types of discrimination. Having worked in this industry for most of my adult life, I know how quickly technologies change. How can we be sure we've anticipated every possible type of discrimination today?

Throughout this debate, net neutrality opponents have subjected us to a parade of horrors. Classifying the Internet under Title II will deter investment, critics argue. Yet Verizon and Sprint executives have said they will continue to upgrade their infrastructure. Some claim that net neutrality will create new taxes; the Washington Post's Fact Checker column has debunked much of that claim. Perhaps the FCC will start deciding the rate you pay your broadband provider? Unlikely, as the Chairman himself has said otherwise.

Instead of capitulating to scare tactics, we should celebrate Thursday's vote. Individual voices will prevail over Washington insiders. Truth and reason will prevail over misinformation and ideology. Best of all, the Internet will prevail as an engine of economic opportunity, the likes of which we have never seen before.



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