



February 27, 2007

Chairman Deborah Platt Majoras  
Federal Trade Commission  
Room H-135 (Annex B)  
600 Pennsylvania Avenue N.W.  
Washington, DC 20580

**RE: Broadband Connectivity Competition Policy Workshop-Comment,  
Project No. V070000**

Dear Chairman Majoras:

On behalf of the National Association of Manufacturers (NAM), I would like to submit the following comments to the Federal Trade Commission (FTC) in response to the FTC's request for comments on Broadband Connectivity Competition Policy, in conjunction with a workshop hosted by the FTC on February 13 and 14, 2007. We commend the FTC for looking at the important issue of broadband connectivity.

The NAM is the nation's largest industrial trade association, representing small and large manufacturers in every industrial sector and in all 50 states. Headquartered in Washington, DC, the NAM has 10 additional offices across the country. The NAM's mission is to enhance the competitiveness of manufacturers and to improve American living standards by shaping a legislative and regulatory environment conducive to U.S. economic growth, and to increase understanding among policymakers, the media and the public about the importance of manufacturing to America's economic strength.

**Broadband Is Critical to Competitiveness**

U.S. manufacturers are the driving force of commerce, the economy and innovation. The creativity and ingenuity of manufacturers in America have spurred economic growth and technological advancement. The NAM recognizes that our country's worldwide lead in technology can no longer be taken for granted and that broadband is critical to the ability of American business to achieve the competitive edge needed to compete in today's global marketplace.

Greater U.S. broadband deployment generates a number of economic benefits, including increased technology-based productivity, job creation and new and improved services for businesses and households. Consumers have reaped enormous benefits from the clear and consistent federal policy of not imposing government regulation on the Internet – a policy upheld by the federal courts, and expressly adopted by Congress as national policy. Consequently, we need to continue policies designed to encourage broadband deployment without government regulation.

**A Solution in Search of a Problem**

In contrast, NAM members believe that new regulations on the Internet—in the guise of “net neutrality” but more accurately “net regulation”— have the potential to stifle new investment in broadband network infrastructure, delay the introduction of new technologies and limit consumer choice.

***Manufacturing Makes America Strong***

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Telecommunications markets should be driven by consumer demand, advances in technology, and competition between telecommunications companies. Indeed, the intense competition between cable operators, phone companies, and others for broadband customers requires providers to quickly respond to market developments and offer differentiated services to attract business. The various pricing plans offered to broadband subscribers today are one example of this phenomenon.

At the same time, connectivity continues to increase. Based on the latest government data, broadband connections increased by 26 percent for the first six months of 2006 and by 52 percent for the full year ending in June 2006.

The NAM first raised our concern with burdensome regulations in 2002 as part of the High-Tech Broadband Coalition. At that time, we embraced the “four freedoms” later adopted by the Federal Communications Commission (FCC) as official policy in 2005. The principles, which state that consumers are entitled to access their choice of lawful Internet content and connect their choice of legal devices that do not harm the network, are working. The FCC has dealt promptly with the one complaint received under those principles.

### **A Disincentive to Investment**

New government regulation has the potential to freeze advancements and the evolution of the Internet. In the current environment, the Internet has played a critical role in encouraging innovation and investments in new networks, services, and content. In contrast, net regulation would prevent broadband companies from offering new and innovative products and services, such as new online entertainment and privacy tools, business, telemedicine and financial services applications, or other services that require such enhancements. As a result, consumers would be left with fewer choices – and higher prices.

For manufacturers, increased broadband deployment and the availability of new and improved services will translate into greater productivity, increased competitiveness and job creations. Instead of “net regulation,” the best way forward for policy makers is not to mandate how bandwidth and services will be offered but to encourage broadband deployment and investment.

The NAM appreciates the opportunity to offer our views and thank you in advance for your support for policies that encourage greater broadband access, innovation and investment. If we can be of further assistance, you can reach me at (202) 637-3077, dcoleman@nam.org.

Sincerely,

Dorothy B. Coleman

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