



December 10, 2014

Senate Majority Leader Harry Reid
Senate Minority Leader Mitch McConnell
Speaker of the House John Boehner
House Minority Leader Nancy Pelosi
United States Congress

The Honorable Tom Wheeler
The Honorable Mignon Clyburn
The Honorable Jessica Rosenworcel
The Honorable Ajit Pai
The Honorable Michael O’Rielly
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Dear Majority Leader Reid; Minority Leader McConnell; Speaker Boehner; Minority Leader Pelosi; Chairman Wheeler; and Commissioners Clyburn, Rosenworcel, Pai, and O’Rielly:

We write, representing a wide range of technology companies, to express our strong opposition to proposals to classify broadband as a “Title II” service. Based on our experience and business

expertise, we believe that our companies and our employees – like the consumer, businesses, and public institutions who depend on ever-improving broadband networks – would be hurt by the reduced capital spend in broadband networks that would occur if broadband is classified under Title II. Such a dramatic reversal in policy is unnecessary to ensure an open Internet.

For almost twenty years, national leadership, on a bipartisan basis, has nurtured the broadband Internet with a wise, effective, and restrained policy approach that supported the free flow of data, services, and ideas online while creating a climate that supported private investment in broadband networks. The result has been a technological, economic, and social miracle that has boosted economic productivity and enriched lives, and created in America a symbiotic Internet economy that's the envy of the world.

Our companies are proud to have played a role in that miracle, and we look forward to a long future providing the devices, components, and services that fuel the modern Internet. But this depends on a continued national commitment to building and deploying ever more capable and faster networks – something Title II puts at risk.

While many experts have noted the damage Title II could do to network investment, the harm would cascade out far beyond the provision of broadband service because the Internet is now so entwined with our entire economy. As the White House explained last year, “[the] build-out of broadband infrastructure itself is a major driver of American investment and job creation ... even more significant are the ways that connectivity is transforming a range of industries, from education to entertainment to agriculture to travel.”¹

Reversing course now by shifting to Title II means that instead of billions of broadband investment driving other sectors of the economy forward, any reduction in this spending will stifle growth across the entire economy.

This is not idle speculation or fear mongering. And as some have already warned, Title II is going to lead to a slowdown, if not a hold, in broadband build out, because if you don't know that you can recover on your investment, you won't make it. One study estimates that capital investment by certain broadband providers could be between \$28.1 and \$45.4 billion lower than expected over the next five years if wireline broadband reclassification occurs.² If even half of the ISPs decide to pull back investment to this degree, the impact on the tech equipment sector will be immediate and severe, and the impact would be even greater if wireless broadband is reclassified.

The investment shortfall would then flow downstream, landing first and squarely on technology companies like ours, and then working its way through the economy overall. Just a few years

¹ Office of Science and Technology Policy & The National Economic Council, Four Years of Broadband Growth (June 2013), http://www.whitehouse.gov/sites/default/files/broadband_report_final.pdf.

² USTelecom ex parte, FCC Docket 14-28 (Nov. 19, 2014) (submitting a study, “The Impact of Title II Regulation of Internet Providers on Their Capital Investments by Kevin A. Hassett and Robert J. Shapiro), http://ustelecom.org/sites/default/files/documents/ExParte_TitleII_Study_11.19.14_pb.pdf. The companies for which capital investment is estimated represent approximately half of industry capital spending.

removed from the worst recession in memory, that's a risk no policymaker should accept, let alone promote.

On behalf of all Americans who depend upon the broadband Internet that has flourished under the current approach, we urge you to reject backward looking demands for Title II classification, and remain faithful to the policy approach that has served the nation well.

Sincerely,

ACS Solutions
Actiontec Electronics, Inc.
ActiveVideo Networks
ADTRAN
Affirmed Networks
Alcatel-Lucent
ARRIS
Asurion
Berry Test Sets
BlackArrow
Blonder Tongue
Broadcom
BTECH Inc
Casa-Systems
CBM of America
Ciena
Cisco
Commscope
Compass-EOS
Concurrent Computer
Corning
dLink
Drake
Enhanced Telecommunications, Inc.
Entropic
Ericsson
FiberControl
Finisar Corp
Gainspeed, Inc.
Go! Foton Corp
Harmonic
Humax Digital
IBM
Imagine Communications
Independent Technologies Inc.
Intel
Juniper Networks

KPG
MetroTel Corp.
Minerva Networks, Inc.
Netcracker Technology
Nokia Solutions and Networks
Optical Zonu Corp.
Pace
Panasonic Corporation of North America
Penthera Partners
Preformed Line Products, Inc.
Prismian Communications Cable & Systems USA
Qualcomm
RGB Communications L.L.C.
Rovi
Sandvine
Sheyenne Dakota, Inc.
SNC Mfg. Co., Inc.
Sumitomo Electric Lightwave
Synacor
This Technology
Vermeer Corp.
Walker and Associates
Wintel

CC: Secretary of Commerce Penny Pritzker
White House Director of the National Economic Council Jeffrey Zients
White House Chairman of the Council of Economic Advisers Jason Furman