



March 5, 2007

## **Maryland Taxpayers Reject Harmful Internet Regulation Proposals**

Dear Legislator:

On behalf of more than 8,800 Maryland members of the National Taxpayers Union, I urge you to reject proposed state legislation that would choke the Internet with harmful “net neutrality” regulations. These dictates would hamstring consumers and prohibit the owners of Internet servers from prioritizing certain transactions, thereby imposing rigid government control over the Internet’s traditionally free-flowing management.

Many of us have heard the following line describing government’s tendency to interfere with the market economy: “If it moves, tax it; if it keeps moving, regulate it; if it stops moving, subsidize it.” Since taxpayer advocates have been fairly successful in stopping efforts to tax the Internet, some cheerleaders of overbearing mandates are using the regulatory playing field for their dangerous game. Taxes all too often follow regulation, and it’s easy to imagine a situation where “Internet Neutrality Fees” are forced on users to pay for regulatory enforcement. This is one slippery slope that Maryland should avoid.

It’s true that many advocacy organizations have been concocting scare campaigns about how the very companies that deliver the Internet to customers all of a sudden want to ruin the system with unfair business practices. Laying down the heavy non-discrimination clauses and burdensome reporting requirements proposed by the Maryland legislation will not “save” the Internet from illusory “threats,” but it would likely lead to fewer choices for consumers. Here’s how: Current providers are preparing to spend billions on improving their broadband lines to bring cutting edge technology (such as television over the Internet) to homes across the country. However, investors are likely to shy away from funding these upgrades if providers are prohibited by net neutrality legislation from developing market-based pricing plans. We shouldn’t keep America in the slow lane while the rest of the world zooms by on upgraded technology.

Of course, there are also serious practical and legal problems with applying a state law to regulate national (in some cases international) transfers of information over the Internet. These concerns have unfortunately been dismissed by net neutrality zealots. We urge you to keep the following points in mind as you consider how to best serve your constituents: (1) Businesses either serve consumers’ interests by marketing useful and appealing products or face extinction through competition; and (2) The Internet has flourished and will continue to do so without the imposition of onerous government regulations.

In its 2006 session, the U.S. Congress decided that net neutrality wasn’t right for America; it isn’t right for Maryland today. Keep crushing regulations off the Internet.

Sincerely,

Kristina Rasmussen  
Senior Government Affairs Manager