



May 15, 2018

The Honorable Greg Walden
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Walden:

On behalf of Internet Association, which represents the world's leading internet companies, I want to take this opportunity to respond to your open call for "Silicon Valley CEOs" to testify before Congress (San Francisco Chronicle, House Committee Seeks Input From Tech CEOs, May 14, 2018).

I wholeheartedly agree with you that the internet sector represents a great American free-market success story. In no sector of the economy is the American spirit of innovation and entrepreneurship more alive or thriving. The internet sector accounts for 3 million American jobs and is the fastest growing sector of the U.S. economy, representing 6 percent of GDP. It also accounts for a \$160 billion trade surplus, making it the great American export. The internet also provides Americans in every state and Congressional District unprecedented economic opportunity.

Our industry is extremely proud of this record.

I am happy to testify on behalf of our members to help the committee explore the ways that the internet benefits all Americans. Our companies also invite you to join IA on a "Community Crawl" in your district to hear from non-tech businesses, nonprofits, and other stakeholders about how the internet helps them grow and brings their community closer. Additionally, we welcome you and your colleagues from the committee to continue visiting our individual companies, as many have over the last decade, where you can receive in-depth briefings from leading experts on all the topics you have raised.

The internet industry is transforming every aspect of society and the economy for the better. And while our industry already complies with a wide range of regulations and legislation at all levels of government, significant transformations like the ones our industry enables should be accompanied by a thoughtful debate—with all participants in the internet ecosystem—about whether new rules or regulations are required. Internet companies have not shied away from that conversation with policymakers and other stakeholders: Mark Zuckerberg's testimony is only the most recent example of a long list of CEOs and other senior executives who have engaged with policymakers in Washington, DC and in state capitals around the country.

Internet companies, like all industries, do not face a static set of challenges. Static solutions in the form of regulations, based on a snapshot in time, are unlikely to withstand the stress of changed circumstances. As technology and services evolve to better meet user needs, bad actors will find ways to take advantage. Our members are ever vigilant and work hard to stop them. The task is never done, and we pledge to work harder and do even better.



Our industry believes trust and transparency are paramount and will do more to educate the public and policymakers about how our platforms work and the overwhelmingly positive benefits we bring to individuals and society. As you noted, the light touch of government was a key component to the economic success of the internet. This industry grew in America and is the world's most successful innovative sector because of the regulatory environment we have today. Proactive policies also played and continue to play a crucial role in enabling the most innovative companies the world has ever seen. The intermediary liability protections found in Section 230 of the Communications Decency Act, for instance, and the well-established exceptions and limitations of our copyright laws are crucial to job creation and domestic economic value. That's why regulating without caution will cede important economic and competitive ground to China and other international competitors at the expense of American jobs. We all can agree that America will be better off if the next internet company is born here at home instead of abroad.

A regulatory debate should not be driven by the proliferation of anti-internet lobbying that has hit Washington in recent months from companies and industries looking to improve their competitive odds through regulation. This is neither in the best interest of consumers nor politically popular with the millions of Americans who use and trust internet platforms. Look no further than the gratuitous letter Motion Picture Association of America, Inc. Chairman & CEO Charles Rivkin submitted to the Energy and Commerce Committee during your recent Zuckerberg hearing.¹ The hearing had nothing to do with the Motion Picture industry, but Mr. Rivkin demonstrated shameless rent-seeking by calling for regulation on internet companies simply in an effort to protect his clients' business interest. This blatant display of crony politics is not unique to the big Hollywood studios, but rather emblematic of a broader anti-consumer lobbying campaign. Many other pre-internet industries—telcos, legacy tech firms, hotels, and others—are looking to defend old business models by regulating a rising competitor to the clear detriment of consumers. I'm confident you also find this behavior disappointing and completely counter to the principles of American ingenuity and free enterprise and not in the best interests of your constituents or consumers.

I admire and appreciate your staunch interest in putting consumers first. We welcome your interest and attention to our industry and very much look forward to engaging with you, the members of your committee, and other stakeholders in an earnest policy discussion about the industry and what is best for consumers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Beckerman'.

Michael Beckerman
President & CEO

cc: The Honorable Frank Pallone
The Honorable John Thune
The Honorable Bill Nelson

¹ Rivkin, C. H. (2018, April 10). [Letter to Senators Charles Grassley, John Thune, Dianne Feinstein, and Bill Nelson]. <https://www.mpaa.org/wp-content/uploads/2018/04/180410-MPAA-FB-hearing-Senate-letter.pdf>