



The Internet Association

February 5, 2013

The Honorable Greg Walden
Chairman
Subcommittee on
Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Anna G. Eshoo
Ranking Member
Subcommittee on
Communications and Technology
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Ted Poe
Chairman
Subcommittee on Terrorism,
Nonproliferation, and Trade
House Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515

The Honorable Brad Sherman
Ranking Member
Subcommittee on Terrorism,
Nonproliferation, and Trade
House Committee on Foreign Affairs
2170 Rayburn House Office Building
Washington, DC 20515

The Honorable Christopher H. Smith
Chairman
Subcommittee on Africa, Global Health,
Global Human Rights, and
International Organizations
2170 Rayburn House Office Building
Washington, DC 20515

The Honorable Karen Bass
Ranking Member
Subcommittee on Africa, Global Health
Global Human Rights, and International
Organizations
2170 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Walden & Ranking Member Eshoo, Chairman Poe & Ranking Member Sherman, and Chairman Smith & Ranking Member Bass:

Thank you for the opportunity to submit this letter to your Subcommittees on the important issue of global Internet governance and the continued growth of the Internet economy.

I am the President and CEO of The Internet Association, a trade association representing the interests of the leading U.S. Internet companies and their global community of users. The Internet Association's members are Amazon.com, eBay, Facebook, Google, IAC, Yahoo!,



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salesforce.com, AOL, Rackspace, LinkedIn, Monster Worldwide, Inc., Expedia, TripAdvisor, and Zynga. We at The Internet Association believe that maintaining a free and innovative Internet is critical to the platform's continued growth and development and will ultimately lead to global economic success, technological innovation, and democratic discourse. We commend Congress for unanimously passing resolutions in support of the Internet's current bottom-up, decentralized, and multi-stakeholder model and urge the U.S. government to continue its unified stance.

Although imperfect, the current multi-stakeholder approach to Internet governance has been on the whole extraordinarily successful. By working with entities like the Internet Corporation for Assigned Names and Numbers (ICANN), the Internet Engineering Task Force (IETF), the Internet Governance Forum (IGF), and other multi-stakeholder organizations, rather than governmental entities to determine and implement key governance functions, the Internet ecosystem remains open and decentralized. That openness and decentralization make the Internet a forum for expression and an engine of economic growth available to everyone.

The benefits of this approach were apparent in the recent uprisings in Egypt and Tunisia. While those states aggressively policed the media outlets that they controlled, the Internet remained an available forum for dissidents to communicate with each other and those outside their countries. The Internet's prominent role as a global source of economic opportunity is equally apparent. As the International Telecommunication Union recently noted in a draft report



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by its Secretary General, the Internet is transforming the global economy by creating opportunities in local communities, and acting as a driver for social change.¹

In the United States alone, the Internet and technology sectors have been beacons of economic growth in the midst of the recession. The numbers are staggering. Over the past five years, the Internet accounted for 21 percent of the GDP growth in advanced economies.² About eight trillion dollars is exchanged each year through e-commerce.³ Such an actively engaged online business community strengthens the U.S. economy and allows our nation to effectively compete internationally. The U.S. captures more than 30 percent of global Internet revenues and more than 40 percent of net income.⁴

As with all historical shifts in our economy, new technologies obsolesce certain jobs. However, the Internet creates 2.6 new jobs for every one job it disrupts.⁵ In fact, if the Internet were classified as a sector of the U.S. economy, it would have a greater weight in GDP than agriculture or utilities according to a recent study by the McKinsey Global Institute.⁶ Internet services, like social media tools, empower small businesses that have little-to-no marketing budgets to advertise and interact with customers in the global marketplace. It also provides a platform for sole proprietors and other small businesses to engage in business transactions via

¹ ITU, *Fourth Draft of the Secretary-General's Report for the Fifth World Telecommunication/Information and Communication Technology Policy Forum 2013*, released January 10, 2013 at 4.

² James Manyika and Charles Roxburgh, *The great transformer: The impact of the Internet on economic growth and prosperity*, McKinsey Global Institute at 1 (Oct. 2011).

³ *Id.*

⁴ Matthieu Pélassié du Rausas, *Internet Matters: The Net's sweeping impact on growth, jobs, and prosperity*, McKinsey Global Institute, at 4 (May 2011).

⁵ *Id.* at 3.

⁶ *Id.* at 14.



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websites such as Amazon and eBay. These businesses contributed 375,000 full-time equivalent jobs of the two million in the Internet ecosystem.⁷

The Internet's global reach expands that economic impact by several orders of magnitude. Currently, 2.3 billion people around the globe use the Internet and rely on our companies' products and services for accessing information, knowledge and education, commerce, entertainment, and free expression.⁸ By 2016, Internet users are expected to grow to 3 billion – almost half of the world's population.⁹

Notwithstanding the Internet's success as an incubator of both democracy and economic growth, many member states in the ITU persist in efforts to increase governmental and intergovernmental control over the Internet. Leading up to the December 2012 World Conference on International Telecommunications ("WCIT"), UN ITU Secretary Dr. Hamadoun I. Touré assured stakeholders that WCIT would "definitely not ... tak[e] control of the Internet."¹⁰ However, the final treaty text included an Internet resolution that quite clearly asserted a role for the ITU in Internet governance. This led to protests by delegates from the U.S. and other countries. Aside from the content of the Internet resolution itself, the lack of transparency or accountability in the ITU's deliberations drew criticism from several delegations

⁷ Interactive Advertising Bureau, *Economic Value of the Advertising-Supported Internet Ecosystem*, available at http://www.iab.net/media/file/iab_Report_September-24-2012_4clr_v1.pdf at 2 (Sept. 2012).

⁸ ITU, *Fourth Draft of the Secretary-General's Report for the Fifth World Telecommunication/Information and Communication Technology Policy Forum 2013*, released January 10, 2013 at 7.

⁹ David Dean et. al., *The Internet Economy in the G-20, Boston Consulting Group Perspectives*, available at https://www.bcgperspectives.com/content/articles/media_entertainment_strategic_planning_4_2_trillion_opportunity_internet_economy_g20/ (Mar. 19, 2012).

¹⁰ Dr. Hamadoun I. Touré, ITU Secretary-General, Address at the Columbia University Institute for Tele-Information (CITI) WCIT -12- Myths and Reality (Sept. 24, 2012).



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and civil society organizations. Some countries nonetheless signed the updated treaty, leading to differing rules for countries that signed and the countries that did not.

The 2012 WCIT is by no means the first or only instance of a government seeking to assert control over Internet governance. A 2012 Freedom House report analyzed nations fighting for greater freedom on the Internet and those seeking to gain greater control over it. The report showed that some nations are employing less visible tools to control the Internet, such as enacting new laws to regulate online speech, using tactics to manipulate online discussions, increasing online surveillance with minimal checks for abuse, and often times resorting to physical violence.¹¹ Allowing intergovernmental oversight of Internet functions and policy may legitimize even more restrictions on online content and interactions.

Such a change would stand in stark contrast to the principles acknowledged in the Tunis Agenda for the Information Society (“the Tunis Agenda”), part of the 2005 World Summit on the Information Society (WSIS). There, member states recognized that “the existing arrangements for Internet governance have worked effectively to make the Internet the highly robust, dynamic and geographically diverse medium that it is today, with the private sector taking the lead in day-to-day operations, and with innovation and value creation at the edges.”¹² The Tunis Agenda also reaffirmed member countries’ “commitment to the freedom to seek, receive, impart and use information, in particular, for the creation, accumulation and dissemination of knowledge.”¹³

¹¹ Freedom House, *Freedom on the Net 2012: A Global Assessment of Internet and Digital Media*, available at <http://www.freedomhouse.org/sites/default/files/resources/FOTN%202012%20Summary%20of%20Findings.pdf> (Sept. 2012).

¹² Tunis Agenda, ¶ 55. <http://www.itu.int/wsis/docs2/tunis/off/6rev1.html>.

¹³ Id at ¶42.



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The Tunis Agenda recognized the link between the Internet's current multi-stakeholder governance process and the innovation and free flow of information that take place on the Internet. The Internet's open and decentralized governance framework should not be challenged by some states' top-down assertion of control over aspects of Internet governance and their desire to use the ITU as a mechanism for asserting such control. The Internet Association stands ready to work with Congress and the Executive Branch to ensure that the current, successful Internet governance framework is respected and preserved.

Sincerely,

Michael Beckerman
President & CEO
The Internet Association