

## Net Neutrality: Impacts on New Hampshire Small Businesses

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Senator Shaheen,

First, thank you for holding this field hearing, allowing local businesses the opportunity to share our concerns with you in a very direct way. My name is MJ Shoer and I am the Director of Client Engagement and vCIO for Onepath, a national provider of managed IT services to small and mid-sized businesses. Locally, we have three offices in New England, with our New Hampshire office being located in Bedford, NH. I hope to share a unique perspective on this important issue with you.

For just shy of twenty years, I owned my own managed IT services business in Portsmouth, New Hampshire. In December of 2015, I merged into a larger firm, headquartered in Massachusetts that was also a Competitive Local Exchange Carrier (CLEC) and Internet Service Provider (ISP) and in May of last year, that business was acquired by Onepath. In each of these three companies, we ourselves as well as our over seven hundred clients are directly impacted by net neutrality or the lack of it. I also serve as the Immediate Past Chairman of the Board of Directors for CompTIA, the Computing Technology Industry Association, the global non-profit trade association representing the information technology industry. In this capacity, I have been exposed to our members diverse, and sometimes conflicting positions on this issue. As a CompTIA member, I have also visited your DC office several times as part of CompTIA's annual DC Fly-In to talk about issues of importance to the tech industry.

I'd like to take a moment to quickly frame up the history of this issue and its concern for the business community here in New Hampshire and really, across the entire globe. In 1995, I was part of the first company to bring dial-up Internet access to the Seacoast of New Hampshire. Within days, not months or years, we had direct competition, with multiple ISP's springing up and providing choice. Fast forward to today, 23 years later and our choices are more restrictive than ever. In Portsmouth, for example, there is really only one high speed ISP that can cover the entire city and that company is Comcast. So one part of this issue is about competitive access options. While there is some competition for business Internet access, there is really none for consumers.

Comcast owns NBC Universal and has a streaming app that subscribers may use to watch Comcast's Xfinity content online or away from their home. Under the prior rules of net neutrality, Comcast was required to provide unrestricted access for any subscriber to any site on the Internet. Consider that Verizon is a major Comcast competitor, as is any other ISP. While Comcast's television services allow you to watch network television like ABC, CBS and NBC, consider this possible scenario we face with no net neutrality rules in place.

I decide to jump on the "cutting the cord" movement and cancel my Comcast TV services and only retain my Comcast broadband Internet access service. I want to use Yahoo.com, a free email and search service that Verizon now owns. I also want to use Hulu, which competes with Google, a company that Comcast has a strong partnership with. I also want to watch ABC and CBS shows online.

Without net neutrality, Comcast is able to throttle my bandwidth to sites they would rather I not go to. Think of a 4 lane highway like Interstate 95. Comcast routes my Internet traffic across this large highway so I can get to NBC quickly and with no delays. But say I want to watch something on ABC. Comcast routes that Internet traffic onto Route 1 and I have to travel across multiple signaled intersections, so I may have to stop or go very slowly to get to where I want to go. So slowly in fact, that I might just give up and not go there anymore. Hopefully that word picture makes the issue crystal clear. It really is that simple.

The impact to small and start-up companies could be catastrophic. The Internet has been a great equalizer in many ways. Small businesses have sprung up and offered competitiveness and innovation the likes of which we have not seen before. A lack of net neutrality is a very real threat to our economic competitiveness as small business, entrepreneurs and a nation.

I'd also like to take moment to share a broader perspective on the issue from my perspective as a Board member of CompTIA. For several years now CompTIA has supported a legislative solution to net neutrality. Its diverse membership includes companies from across the tech industry, from ISPs to edge providers to equipment manufacturers and everything in between. These members have come together to support two core principles: 1) that the internet should be a place where all businesses, regardless of size, can compete with one another on a level playing field; and 2) that consumers should be able to access whatever legal content they want without worrying that their ISP might block or slow down that content.

CompTIA and its members want certainty over how the internet is regulated. As such Congress needs to act to prevent this latest round of changes from taking effect. Principles this important should not be subject to the whims of whichever party sits in the White House at any given time. Beyond that, Congress needs to pass net neutrality legislation that prohibits blocking, throttling and anticompetitive conduct by ISP's. And the only way to achieve this goal is through true bipartisan cooperation to reach a well-crafted and settled legislative approach to achieve our core principles of competition and access.

The FCC's decision to repeal their net neutrality rules and reclassify broadband internet access service as an information service placed the Federal Trade Commission (FTC) in charge of policing net neutrality violations. But the FTC's authority in this space is limited. Its consumer protection and antitrust enforcement powers aren't broad enough to tackle the full slate of potential net neutrality violations. Legislation is necessary to help fill in the gaps.

In recent months we have also seen several states introduce net neutrality legislation and two even passed these bills into law. Six states have taken a different path and addressed net neutrality through executive order. Unfortunately, these state approaches vary. While some give enforcement authority to various state bodies, others attempt to create a certification process for ensuring ISPs are maintaining net neutrality, and still others identify fines. A state-by-state patchwork of laws will create a compliance nightmare for ISPs, particularly small ones, especially since internet traffic is not bound by state boundaries. States also lack the technical expertise to properly formulate and enforce such rules. Not to mention that these laws may not even be enforceable, as the FCC's order expressly preempts states from passing net neutrality laws.

In conclusion, the only workable long-term solution to achieving net neutrality is bipartisan federal legislation. This will benefit New Hampshire business, my clients and those of my competitors and businesses of all sizes across this nation. Thank you.