



COMPETITIVE ENTERPRISE INSTITUTE

Tech Briefing 2001

*A Free-Market Guide to Navigating Tech Issues
in the 107th Congress*

INTRODUCTION

by
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High-tech is at center stage in the 107th Congress. By March 2001, more than 90 bills had been introduced relating to the Internet, telecommunications, and technology.

High-tech is also complicated and sometimes impenetrable, whether viewed through the lens of economics, technology, politics, or plain old common sense.

The Competitive Enterprise Institute's *Tech Briefing 2001* will help the beleaguered congressional staffer navigate this maze of issues. It contains 20 short chapters on a variety of topics, ranging from broadband deployment to Internet privacy to intellectual property to the growth of B2B commerce. The sections are laced with background facts and references to additional sources of information, so the reader can follow the analysis that underlies the policy conclusions presented.

CEI does have a point of view. We hold to the principle that consumers should be able to make choices in a free marketplace, inhibited only by government regulation that is absolutely necessary. Further, we think our national experience establishes that the proponents of regulation should bear a heavy burden of proof when deciding whether regulation *is* necessary. Repeatedly—most recently and dramatically in the context of the California energy crisis—regulatory schemes have promised heaven and produced hell.

Regulating new technologies is especially risky. The high-tech sector is an evolving frontier. Frontiers are always a bit chaotic, and it is inherent in their nature that mistakes, abuses, confusion, and irritation will occur. These trigger emotional cries of “There oughta be a law,” but quick-triggered reactions to novel situations rarely create good law or policy. It is far better to let the innovation and creativity of the marketplace work out the problems, and to resort to regulation only after experience shows that a problem exists for which regulation is the appropriate answer, and the nature of the necessary regulation is clear.

Rapidly changing technologies and new ways of conducting business will create marvelous benefits for everyone. But not if they are stifled at the outset.

Because of this philosophy, CEI's recommendation in most areas is to curtail legislative action. Members of congressional staffs can agree or disagree, but before rejecting the advice presented in this handbook, the staffer should be clear in his or her own mind why the facts point in a different direction.

The institutions of the free market, the rule of law, reliance on the private sector, and dedication to the principle that government should be limited have served the nation well. The Competitive Enterprise Institute believes they remain equally valid guides for the new high-tech world of the 21st century.

~ FRED L. SMITH, JR.
PRESIDENT