

SEMPO

November 15, 2011

Chairman Jon Leibowitz
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Leibowitz:

We write on behalf of SEMPO, an organization of thousands of individuals and companies who help small and large businesses manage search engine optimization and marketing campaigns.

From almost every standpoint, the government regulation of Search functions that are offered by private companies is not a good idea. First of all – and most broadly – the Internet was created as an open and free channel of communication that was not subject to regulation or control from either governments or commercial entities.

We view the Internet as being much more like the press than it is like a factory for widgets or even something that deals with intangibles, such as a bank. Search engine companies are themselves a type of publisher, displaying materials on their websites as do newspapers. And here in our Western democracy, freedom of the press is a principle we have upheld despite numerous attempts at censorship, for centuries. Why should looking for things on the Internet be subject to government regulation, any more than you'd expect laws on how you could do research at your local library?

This brings in our second point. Search is not a government-run utility, established by law and thus subject to bureaucratic oversight. It is a service provided to consumers and businesses by companies, which have set up their operations using their own principles, proprietary technologies and algorithms. Each company is free to develop its own approach, fulfilling the needs of its customers as it perceives them.

If the customers decide that one company's search results are not to their liking, the solution is very simple: they can use another search engine. The cost to an individual to switch is extremely low, and therefore Search companies are under continuous pressure to deliver the most useful and relevant results. Clearly, government intervention is not the solution to either the customer's or the company's problem; the free market is. How can a government agency possibly know what information an individual needs or wants and whether it is being satisfactorily delivered, and how can any government not of the totalitarian variety have the expertise to regulate a search for such information or dictate its means?

The initial success of search engines in delivering services that were popular among consumers and helpful to businesses has led to the development of additional services and new ways to present them. Concurrently, the explosive growth of information available online has prompted Search companies to create ever more innovative ways to locate and display results to users. The search engine results page (SERP) has undergone quite an evolution since the early days of Lycos, AltaVista and Excite. Even the Google SERP has changed dramatically. Not even the engineers at Google and Microsoft can accurately predict the future of the SERP, other than to assure us that the results pages will continue to evolve. No government agency could possibly keep up.

Search is not just about just consumerism. Search is a connection to infinite information that can inspire and empower all people, globally. Think about all the forms of information that used to be very difficult to access, but which are now at your fingertips, empowered not only by the search engines themselves but also by the cooperation of the information's owners: publishers, federal, state and local governments, merchants, and individual bloggers and content producers. Access to this collective consciousness is always within reach for anyone with an Internet connection. No longer do demographics -- age, gender, income, location, education -- predetermine the outcome of an activity. When governments have tried to regulate Internet access, the results have been unpopular, relatively unsuccessful, and have led to international uproars about censorship. This is unlikely to change -- the Internet is in many ways more powerful than any government.

Free-market innovation in the Search industry is a key element in ensuring that the Internet continues to serve humanity's needs as our reservoir of vital information and empowerment. No one will be well served if this innovation dries up or is stifled by regulation. What is needed for its continuation is:

- Willingness of legislative and regulatory government entities worldwide to allow the evolution of the Internet in as unfettered a regulatory environment as possible
- Willingness of publishers and information owners to explore ways of sharing their valuable information with the search engines while not jeopardizing their revenue models
- Consumers feeling a level of trust with search engines sufficient to allow the search engines to personalize results for them, maintaining privacy settings at a level comfortable to them
- Understanding by marketers and advertisers that the search engines' most valuable asset is the user, and therefore the search engines will often place the consumer experience above short-term financial gain

The foundation for the requirements above is education. Consumers, advertisers, publishers, bureaucrats and legislators all need to understand the risks, ill effects and tradeoffs should the fertile ecosystem for innovation dry up. We in the Search industry can support educational efforts by being open to honest discussion of the issues, and by being proactive in taking advantage of outreach opportunities when they appear.

Currently, the U.S. government is investigating the Search operations of the largest company in the industry, Google. It's no exaggeration to say that Google's innovations in search advertising have led to the growth of the search engine marketing industry, which today employs thousands

of individuals. Heavy-handed regulation would be likely to constrain further job growth before it could possibly have any positive effect anywhere else.

We may not agree with everything that an individual company does, but it would set a terrible precedent and hinder growth if the U.S. government were to start interfering with Internet content by stepping in to regulate how it is presented. It is the right of any publisher to determine what it places on its website, and to develop a competitive free-market advertising solution to cater to its visitors. In short, governments need to allow search engines to provide the best results with limited to no regulation.

Thank you for considering our views.

Sincerely,

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