

**Cabot Orton Testimony**  
**Senate Judiciary Field Hearing**  
*July 1, 2014*

Good morning! I would like to thank Sen. Leahy for creating a public forum on the extraordinary importance of an open Internet environment for businesses of all sizes. As Vermont business owners my family and I deeply appreciate this opportunity to share our perspective on a vital national issue, and we are honored by the Senator's invitation to support the interests of small companies here in Vermont and all across America.

For over 70 years, our family business, The Vermont Country Store, has delighted generations of customers by selling hard-to-find products through the mail. Following in the footsteps of our dad Lyman, my brothers Gardner, Eliot and I are the third generation of our family to run the business started by our grandparents, Vrest and Mildred Orton. In the Fall of 1945, Vrest printed our very first run of catalogs on the printing press in his garage, and Mildred mailed them to the folks on her Christmas card list. Orders came quickly, and they were in business. The following spring, Vrest created our now-famous retail store in Weston, adding a restaurant in 1959 and a second store in Rockingham in 1968. Today we are known as "The Purveyors of the Practical and Hard To Find", delighting countless customers of all ages with memories of earlier, simpler times.

For most of our history as storekeepers, we have relied on the Mail to do business with our customers. It was affordable, dependable and available on the same terms to everyone in America. Over a hundred years ago, Rural Free Delivery brought mail and packages to rural farm families, transforming the US Postal Service as an engine of commerce that enabled the fastest growth of free enterprise in human history. With the later commitment to Rural Electrification and the development of the Interstate Highway System, spectacular new opportunity was created for every citizen, no matter where they lived, and for every business, no matter how prosperous or politically connected. Contrary to conventional wisdom, these public systems worked to the betterment of private enterprise by connecting people in unprecedented ways, while creating a level playing field for all participants.

Thanks in no small part to this remarkable infrastructure, The Vermont Country Store was able to grow and thrive, all while remaining based in the rural village of Weston, Vermont. To this day, our entire company is based solely in Vermont, from which we answer every call and mail every package. Between our two stores, our Office in Manchester, and our Operations Center in North Clarendon, every one of our 450 employees works here in the Green Mountain State.

Today, our business depends dearly on the Internet. We rely on the Web to display our merchandise to customers, to connect with new audiences and to transact a large portion of our sales. Just 10 years ago, we received upwards of 60,000 handwritten letters a year from customers who would write us looking for a long-lost item, or to share stories and memories. Of course, times have changed. We receive fewer letters and lots of e-mail, much of it from customers who place their orders on our website.

We are no strangers to technology, nor do we wish to escape the forces of change. In fact, Internet sales have grown to represent 40% of our business. We have all become accustomed to using the Internet for just about everything, and take it for granted- just like mail service, electricity and highways. In reality, the Internet as we know it today is a recent development, and it's relied upon universally by companies and consumers as a public resource.

Fully one-third of our employees are involved in supporting customer transactions made over the Internet. Needless to say we are fully committed to Internet commerce, not only because it drives sales, but because so many of our customers- young and old- use the Internet as their primary way of doing business with us. Most of our customers still receive catalogs from us in the mail. Many still place their orders over the phone or by mailing a paper form. But more folks than ever encounter us for the very first time on the Internet, having never received a catalog, unaware that we have two marvelous retail stores right here in Vermont. We know this demand will only grow over time. If we want to continue to prosper as a Vermont-based company, we must keep pace with our customers' need and desire to do business with us over the Internet. Our success depends on providing an exceptional online experience our customers enjoy and trust.

We believe that the new rules proposed by the Federal Communications Commission will change all that for The Vermont Country Store and for countless small businesses. We don't want to imagine an America with two Internets: a fast one for giant corporations and a slow one for everybody else. We don't want to imagine being held for ransom by telecom behemoths and cable monopolies just to reach our customers with the same speed and convenience that global conglomerates enjoy. In our view, the proposed FCC rule changes would turn what is now a level playing field for businesses of all sizes into one where the biggest companies with the deepest pockets can get their website content to customers faster than everyone else. Worse, we know from our own experience that, in the hearts and minds of our customers, a slow or marginalized website may as well not exist. A small business website that is no longer protected from giant Internet toll-keepers would have one choice: pay to play. Failing that, a company becomes the proverbial tree falling in the forest with no one there to hear it.

We would be hard-pressed to imagine a freer, more open Internet than the one we all depend upon today. You can't make it much more equal than it already is! This is why rules creating different standards of Internet access can only jeopardize that equality. It's not hard to imagine small businesses forced to suffer demolition by neglect in the Internet slow lane, or to endure ruinous costs to squeeze into the Internet fast lane with the big guys. That's a lose-lose proposition that would push small businesses, increasingly dependent on Internet sales, to close up shop for good. If consumer spending represents 70 percent of the American economy, and two-thirds of our economy consists of small businesses that ultimately depend on the Internet, it's not much of a stretch to think of the Internet as a vital public resource, to which fair and equal access for everyone is paramount to the strength of our economy.

Perhaps more troubling is the prospect of stifling innovation and creativity, which are the lifeblood of small businesses in Vermont and everywhere in America. My grandparents started The Vermont Country Store with a dream, a printing press, and a Post Office. That fledgling enterprise became vastly more than Vrest and Mildred anticipated. In so many ways, the Internet has transformed our daily lives and enabled even the smallest home-based businesses to reach virtually unlimited audiences. The breathtaking growth of the largest Internet companies is a testament to magnificent possibilities that would never have materialized had the Internet at its inception been subject to the FCC rules now being contemplated.

To safeguard Internet commerce from a troubling future; to guarantee that every person with an idea and real perseverance has a fair shake at achieving the American Dream, we support Senator Leahy's legislation. When enacted, it will keep the biggest corporations from gaming the system and seizing unfair access to internet fast lanes, simply because they have the money to buy them. This legislation will let small businesses on Main Street USA continue to reach customers anywhere in America on the same terms as the Fortune 500, just as we could over the phone or through the mail for more than a century.

Let's be clear, we're not asking for special treatment, incentives or subsidies. All the small business community asks is simply to preserve and protect Internet commerce as it exists today, which has served **all** businesses remarkably well.

We all know how change happens: gradually, then suddenly. We embrace this wholeheartedly. After all, folks who miss the things change leaves behind tend to be some of our best customers! But we also know that disruptive changes like those proposed by the FCC almost always have unintended consequences. We are asking those who serve us in government to pause, consider the repercussions, and enact legislation that protects the interests of **all** businesses great and small. Time and again, the uniquely American phenomenon of equal access to public resources, like the Internet, has empowered entrepreneurs and advanced the nation. Just keep the playing field level and let free enterprise do what it does best — enrich the human condition.