WASHINGTON (Reuters) - Verizon Communications warned the financial services industry may not get the secure networks it needs if Congress adopts laws governing high-speed Internet broadband networks, according to a company memo obtained by Reuters on Monday.

The financial services industry is weighing whether to wade into a fight over legislation on broadband service, known as "Net neutrality." It fears that without safeguards on pricing for network access, the costs to financial institutions could rise.

Verizon, the No. 2 U.S. telephone company, opposes legislation for Net neutrality and sent the memo to its consultants urging them to discuss with banking industry clients the arguments against possible legislation in the U.S. House of Representatives and Senate.

"They are being fed a lot of cock-and-bull, Chicken Little stories about how the future of their industry is at stake because another network industry might have the freedom to price broadband services according to market demand," Verizon's chief congressional lobbyist Peter Davidson said in the memo.

He warned that the financial services industry "better not start moaning in the future about a lack of sophisticated data links they need" if Net neutrality laws were passed because the communications industry may not invest in new networks.

Verizon and AT&T Inc. have expressed interest in expanding from flat pricing for broadband to selling tiers of service based on the speed, reliability and security. They have pledged not to block access to the open Internet.

"Why in the world should broadband network providers, who have invested billions to create those networks, be denied such pricing freedom?" Davidson said.

That has raised fears among Internet content companies such as Amazon.com Inc. and Google Inc. that they will be shunted to a slower lane of the Internet if they do not pay...
Davidson argued that that broadband providers are not "going to do anything stupid to antagonize the people they rely on for their money!"

A financial industry lawyer has been circulating a memo warning that the sector ignores the Net neutrality debate at its peril and urged companies to push for legislation that would preserve flat broadband pricing for online financial services.

Financial services lobbyists have said they are concerned about the issue, and are monitoring it.

The House could consider legislation this week that would preserve the ability to surf on the open Internet but does not specifically bar Internet providers from charging new fees to assure reliable service to business users. It is part of a broader communications bill.

The Senate is considering its own legislation but only requires a study on Net neutrality. Differences between the bills could prevent any legislation from becoming law this year, analysts have said.