

**CONGRESSIONAL REVIEW ACT ABSTRACT**  
**WG Docket No. 14-28; FCC 15-24**

*Protecting and Promoting the Open Internet*, Report and Order on Remand, Declaratory Ruling, and Order (released March 12, 2015).

In this *Order*, the Commission adopts clear and sustainable rules to protect consumers and promote an open Internet.

The *Order* establishes strong rules that protect consumers from past and future tactics that threaten the open Internet. First, the *Order* adopts clear, bright-line rules that prohibit blocking, throttling, and paid prioritization. Second, the *Order* implements a general standard preventing broadband providers from unreasonably interfering or disadvantaging consumers or edge providers from reaching one another on the Internet using broadband Internet access services. Third, the *Order* provides for enhanced transparency into network management practices, network performance, and commercial terms of broadband Internet access service. These rules apply to both fixed and mobile broadband Internet access services. The Commission may enforce these rules through investigation and the processing of complaints, and may provide additional guidance through the use of enforcement advisories and advisory opinions.

The Commission believes, and respectfully requests that the Administrator of the Office of Information and Regulatory Affairs, OMB, concur, that the *Order* is a major rule under the Congressional Review Act of 1996, Pub. L. No. 104-121 because it is likely to result in positive economic outcomes that meet the statutory standard of “an annual effect on the economy of \$100,000,000 or more.” 5 U.S.C. § 804(2)(A). The *Order* incorporates the continuation of longstanding open Internet principles that are generally in line with current industry practices. In so doing, it ensures that the Internet remains fast, fair and open today and into the future. Based on the economic growth and investment unleashed by the open Internet to date, including under the Commission’s prior 2010 open Internet rules, the Commission believes that—by preserving and promoting the Internet’s openness—the *Order* is likely to result in growth to the economy of \$100,000,000 or more annually.

The *Order*’s positive impact on the economy flows from the virtuous circle, whereby an open Internet fosters innovations at the edges of the network, driving increased consumer demand for broadband, which, in turn, fuels broadband investment. *See Verizon v. FCC*, 740 F3d at 623, 628 (D.C. Cir. 2014) (upholding the Commission’s finding that open Internet rules “will preserve and facilitate the ‘virtuous circle’ of innovation that has driven the explosive growth of the Internet” as reasonable and supported by the evidence). By ensuring that the Internet remains open, the *Order* therefore enhances the economy by furthering both broadband investment in the network and innovation at its edges. *See Order*, ¶¶ 2-5, 76. While the 2010 open Internet rules, promulgated under section 706 of the 1996 Act, were in effect, broadband capital expenditures increased from \$64 billion in 2009 to \$75 billion in 2013, an average of \$2.75 billion annually. And venture capital financing of “Internet-specific” businesses (companies with a business model fundamentally dependent on the Internet) doubled, from \$3.5 billion in 2009 to \$7.1 billion in 2013, an annual average of well over \$100,000,000. Whole new product markets also blossomed while the 2010 rules were in effect. Apple released the first version of the iPad in 2010, and the number of tablet users in the United States increased from 9.7 million in 2010 to almost 70 million by the end of 2012. Overall app use in 2013 posted 115 percent year-over-year growth. And there was tremendous growth in the online voice and video markets. Between 2010 and 2013, revenues from online video services grew 175 percent, from \$1.86 billion to \$5.12 billion. *See Protecting and Promoting the Open Internet*, GN Docket No. 14-28, Notice of Proposed Rulemaking, 29 FCC Rcd 5561, ¶¶ 29-32 (2014).

While these figures are of course due to multiple factors in each instance, we believe such growth could not have been achieved if the Internet were not an open platform for investment and innovation.

Thus, historically, the Internet's openness has had a sizable positive effect on the economy, including under the Commission's 2005 open Internet policy statement and the 2010 open Internet rules. In light of this history, the Commission believes that the *Order* to protect and promote that openness is likely to have a positive effect on the economy of \$100,000,000 or more annually.

The Commission is not required to prepare a cost benefit analysis, and is not subject to the Unfunded Mandates Reform Act of 1995, Pub. L. No. 104-4.

The *Order* will become effective 60 days after publication in the Federal Register, except for the modified information collection requirements in paragraphs 164, 166, 167, 169, 173, 174, 179, 180, and 181 of document FCC 15-24, that are not effective until approved by the Office of Management and Budget (OMB). The Federal Communications Commission will publish a separate document in the Federal Register announcing such approval and the relevant effective date(s).