



Federal Communications Commission  
Washington, D.C. 20554

February 5, 2015

Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: *Protecting and Promoting the Open Internet*, GN Docket No. 14-28**

Dear Ms. Dortch:

On May 15, 2014, the Commission released a Notice of Proposed Rulemaking in the matter of *Protecting and Promoting the Open Internet*, which sought comment on a fundamental question: “What is the right public policy to ensure that the Internet remains open?”<sup>1</sup> Through comments, reply comments, *ex parte* letters, and other submissions, the Commission has developed a substantial record in response to this question.

In crafting rules for this proceeding, the Commission has carefully considered those materials. To facilitate transparency, we note that the Commission staff also have consulted the following sources:

1. Bernstein Research, U.S. Telecom: A Different Way to Compare Mobile Pricing (Or Does Discounting Matter?) (Aug. 21, 2014).
2. Dennis W. Carlton & Alan S. Frankel, *Transaction Costs, Externalities, and “Two-Sided” Payment Markets*, 2005 Colum. Bus. L. Rev. 617 (2005).
3. Kevin Werbach, *The Federal Computer Commission*, 84 N.C. L. Rev. 1 (2005).
4. Dennis L. Weisman & Robert B. Kulick, *Price Discrimination, Two-Sided Markets, and Net Neutrality Regulation*, 13 Tul. J. Tech. & Intell. Prop. 81 (2010).
5. Michael L. Katz, *Price Discrimination and Monopolistic Competition*, 52 *Econometrica* 1453 (1984).
6. Michael L. Katz, *Non-Uniform Pricing, Output and Welfare under Monopoly*, 50 *Rev. of Econ. Studies* 37 (1983).
7. Michael L. Katz, *The Welfare Effects of Third-Degree Price Discrimination in Intermediate Good Markets*, 77 *Am. Econ. Rev.* 154 (1987).
8. Yoshihiro Yoshida, *Third Degree Price Discrimination in Input Markets: Output and Welfare*, 90 *Am. Econ. Rev.* 240 (2000).

A copy of the Bernstein Research report is appended to this letter.

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<sup>1</sup> *Protecting and Promoting the Open Internet*, GN Docket No. 14-28, Notice of Proposed Rulemaking, 29 FCC Rcd 5561 (2014) (2014 *Open Internet NPRM*).

As always, we welcome the input of interested parties on the sources listed above, and any other matters related to the proceeding initiated by the *2014 Open Internet NPRM*.

Sincerely,

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Michael J. Jacobs  
Legal Advisor to the Chief  
Wireline Competition Bureau