

**Before the  
Federal Communications Commission**

**In the Matter of**

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**Protecting and Promoting the  
Open Internet**

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**GN Docket 14-28**

**Comments of Meetup, Inc.**

July 14, 2014

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## **Executive Summary**

Meetup is the world's largest network of local community groups, enabling people across the country and the world to find an existing group or start a new group. By participating in Meetup groups, people can grow, learn, and change their lives. Meetup is a mission-driven company and we are dedicated to expanding our network to service our members. We are seriously concerned that the FCC's open internet proposal and the "commercial reasonableness" standard will significantly impair our ability to do this. The FCC's proposal would create a two-tiered Internet that would allow larger companies to buy their way to faster access. This two-tiered system would hurt our business, harm our members, and hinder innovation. We call upon the FCC to protect the open Internet by establishing clear rules based on Title II to prohibit blocking, discrimination, and access fees.

### **I. What We Do: Our Business, Our Innovation, and Our Impact**

Meetup is the world's largest network of local community groups. Meetup makes it easy for anyone to organize a local group or find one of the thousands of groups already meeting up face-to-face. We have nearly 18 million members, and more than 160,000 Meetup groups, all organized around the things that matter the most in people's lives. Meetup currently employs 126 people, the majority in our headquarters in downtown New York City. We're actively hiring with 17 open roles posted on our website.

Meetup believes that meeting up is the best path to a better version of ourselves – to an important relationship, to a new skill, and to the joy that comes when you find a group where you really belong. Finding the others can help us grow, learn, and change. Our biggest categories are parents and family, outdoors and adventure, and career and business, and technology Meetups are the fastest growing segment. Regardless of the idea or activity that

brings people together, when we connect with the right people around shared interests, it changes the way we approach the world, the future, and each other.

There are too many Meetup stories to possibly share, not surprising given the fact that each day 15,000 Meetup groups get together. From dads in Ohio, to moms in Texas, Meetup gives families a place to find much needed parenting support and community. Health support Meetups also abound – Breast Cancer survivors meet up in cities across the country – Detroit, Atlanta and Chicago to name a few. People in cities across the country get together every day to get fit and stay healthy: they run marathons in Nebraska and go hiking in Kansas. They discover new hobbies and interests from knitting in Florida, to motorcycle riding in Virginia, to fishing in North Carolina and go on to make life-long friends. Many people even get married to people that they meet at a Meetup event<sup>1</sup>. People meet up to grow their careers in California, and grow their businesses in Colorado. They teach each other new languages in Maryland, turn each other into computer programmers in Utah and they make their communities stronger with volunteer work in Boston. Many Meetups also go on to become profitable businesses<sup>2</sup> for the organizers.

After 12 years, 18 million people from all around the world have signed up – growing organically through word-of-mouth. In the next two to five years, we expect to see continued and accelerated growth in the number of Meetup members, organizers, groups, activity, and revenue from organizer dues and other diversified revenue streams.

We're confident in our ability to grow because Meetup's model works best when the network of Meetup groups and members in a given area is dense. As the network grows more dense, the Meetup groups in a given area grow more varied and more interesting, members and organizers have a better Meetup experience, and in turn, the network grows stronger.

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<sup>1</sup> "A Walk That Led Down the Aisle," The New York Times,  
<http://www.nytimes.com/2014/06/08/fashion/weddings/a-walk-that-led-down-the-aisle.html>

<sup>2</sup> "From Meetup group to full-blown business," CNN Money,  
<http://money.cnn.com/gallery/smallbusiness/2014/06/27/meetup-startups/>

We're now at a stage in the company's history where we can see Meetup communities operating at scale – mature, developed Meetup ecosystems. In New York City, our hometown, we're about to cross a threshold of 1 million members on the platform, or one in eight New Yorkers. This makes our city a lot less lonely, and a lot more alive, and now we can't imagine it any other way. But Meetup is not strictly a big city phenomenon. In towns and cities all around the world, moms are providing each other vital support, hikers are conquering new peaks together, technologists are learning new skills – and every other activity you can imagine.

A year ago, Meetup's strategy team led a project to assess Meetup's overall economic impact, to see how much Meetup members are spending on Meetup related activities (like coffee shop tabs, event space rental, park fees, etc). Their research findings showed that Meetup's economic impact is \$100-\$150 million per year.<sup>3</sup>

Even more significantly, we've seen the impact Meetup has had on our culture and the beginning of a revitalization of strong civil society and community engagement. We will continue to grow spark because of the power of the free and open internet, and we will affect people's lives on an even greater scale.

## **II. We Could Have Never Founded this Company Under the FCC's Proposal**

Meetup was founded in 2002 by Scott Heiferman, Brendan McGovern, Peter Kamali, and Matt Meeker and Greg Whalin. When Meetup CEO Scott Heiferman wrote to the Meetup community on the 10th anniversary of September 11th, he wrote, "many people don't know that Meetup is a 9/11 baby." Heiferman was living in New York City at the time, and in the days and weeks after the attack, he was struck by a shift he noticed in his neighborhood. In the elevator of his apartment building, and on the surrounding blocks, "People were looking after each other,

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<sup>3</sup> "What is Meetup's Economic Impact?," Meetup HQ Blog, <http://meetup.tumblr.com/post/30390171691/economic-impact>.

helping each other, and meeting up with each other...” While eyes around the world turned to New York, New Yorkers turned to each other.

As Heiferman wrote to the Meetup community, “A lot of people were thinking that maybe 9/11 could bring people together in a lasting way. So the idea for Meetup was born: Could we use the internet to get off the internet — and grow local communities?” Nine months later, on June 14, 2002, Meetup was founded.

When Meetup was started, the founders did it with their own money and credit lines. It was enough to rent a tiny office space, and pay a couple of interns, and one or two full time salaried employees. Budgeting and paying for priority internet access would have been a huge impediment. It would have prevented Meetup from competing with the leading community services at that time, Evite and Yahoo groups. These were all established companies with much larger budgets. Today Meetup has surpassed all those in terms of our impact on culture and community, but if we weren’t on a level playing field at our founding, it’s possible that we wouldn’t have made it out of our infancy.

Before Meetup could raise any money from investors, we had to launch a successful product and demonstrate it could gain traction. Over time, we raised a total of \$18.6 million from investors, primarily from venture capital investors including Draper Fisher Jurvetson, Omidyar Network, Union Square Ventures. We are now a profitable business. We strongly believe that the current rules being proposed by the FCC would have presented a stumbling block to our growth and success if they had been in place at the time.

Meetup had its first big break in 2003, when Howard Dean kicked off his campaign for the 2004 democratic presidential nomination. Up until then, the most popular groups on the Meetup site were more narrow in focus and appeal. When a staffer on the Howard Dean campaign with a limited budget discovered Meetup, it was a natural fit. At the time, Meetup was a free service,

and it made it easy for groups to self organize just by creating a topic. When the Dean campaign asked Meetup to create the Howard Dean topic, Howard Dean Meetups popped up all over the country, and suddenly our CEO was on 60 Minutes.<sup>4</sup>

For the first time, people were hearing about Meetup in the mainstream press, and we scaled very quickly. We saw huge increases in activity, a lot of inbound media inquiries, and traffic from all over the world. Meetups were forming in obscure places where we'd previously had no real presence. It was exciting and scary and a big, big break for us. If we'd had to pay at the time for faster internet access, we wouldn't have had the money to do it.

### **III. The FCC's Proposal Threatens Our Company's Future**

We achieved our success *because* of a free and open internet, and we think every company should have that opportunity to succeed. A two-tiered internet, where we have to pay a fee to each cable and phone company to get the same treatment as our competitors, would force us to divert scarce capital away from hiring new employees and other opportunities that will help us grow our business. Meetup would be at a disadvantage in the slow lane because page load time has a major impact on user experience.<sup>5</sup>

Ultimately, the FCC's proposal threatens Meetup organizers and members most of all. While Meetup is a single corporate entity, we're also a collection of community organizers who are focusing on creating opportunity for themselves and their group members. A free and open

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<sup>4</sup> "On the Trail With Howard Dean," CBS News, Oct. 21, 2003, <http://www.cbsnews.com/news/on-the-trail-with-howard-dean/>.

<sup>5</sup> See, e.g., Comments of Engine Advocacy, GN Docket 14-28, April 24, 2014, at 5, <http://apps.fcc.gov/ecfs/comment/view?id=6017612883> (noting that, for every 100ms increase in load time, Amazon's sales decreased 1% and that AOL users whose sites load faster view up to 50% more pages than visitors whose pages load slowly).

internet, where Meetup continues to compete on a level playing field, is key to our continued success – and the continued success of 160,000+ Meetup organizers.

In addition to the reasons above that make clear why Meetup would not have been able to start and grow under the FCC's current proposal, there is one other stark reality – we would likely not have been able to raise any outside financing under the FCC's current proposal. Investors would have been uneasy – or perhaps even unwilling – to fund a company that would have to compete with larger companies that could afford to negotiate priority or exclusive deals with internet companies. Under such a system, the winner in the marketplace is not simply the company with the better product or service, but rather the winner is the company with the bigger wallet that can negotiate a better deal with internet access providers. Investors are keenly aware of critical factors for the success of a new business, and if the success of Meetup depended on us negotiating deals against larger competitors or with large internet access providers as opposed to simply developing a better product, then it is likely that our company would have never found any investors at all.

#### **IV. Our Concerns Are Real and the “Commercial Reasonableness” Standard Will Not Help Us At All**

The Chairman's current proposal will not protect an open and free internet. The proposal would result in a two-tiered Internet, forcing companies to either pay unnecessary fees for priority service or be relegated to an inferior level of service. The reality is that only larger established and well-capitalized companies will be able to pay for priority access. Certainly, a company such as Meetup would not be able to afford such priority access fees and we would be relegated to the basic level of service. As a result our business would be significantly impacted because companies with an inferior product but with the superior ability to pay for priority access would have an unfair advantage in the marketplace. This would directly impair our ability to fulfill our

mission of helping our members start a new group or join an existing group to meetup with other people and help themselves grow, learn, and change. Additionally, it would slow the growth of our business and decrease our ability to hire new employees.

The theoretical ability for us to sue under the “commercial reasonableness” standard is an illusory remedy that is merely the regulatory equivalent of a paper tiger. I am currently the only lawyer at Meetup, and as such I am responsible for managing a wide range of commercial and corporate matters that must be addressed in a time sensitive manner in order for the company to operate. We simply do not have the internal resources to pursue a remedy under a “commercial reasonableness” standard, especially not when it is considered that the adversary in such a proceeding would be a large broadband provider with teams of telecommunications lawyers. And we certainly don’t have the financial resources to hire outside lawyers to fight our fight. It is simply unrealistic to think that a resource-constrained company such as Meetup would be able to avail itself of a vague and amorphous “commercial reasonableness” standard that requires extensive and expensive adversarial proceedings.

The only open internet rules that will succeed in preserving robust innovation and competition are rules that clearly prohibit blocking, discrimination, and access fees. These should be bright-line, per se rules, not presumptions or vague standards. These rules require reclassification under Title II of the Telecommunications Act, and we urge the FCC to pursue reclassification for us, our millions of users, and for all who rely on the Internet to build businesses and connect with others.

Respectfully submitted,

/s/ David J. Pashman

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