

**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 reddit, Inc.

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Executive Summary

reddit, Inc., widely described as the “front page of the Internet,” is a San Francisco-based Internet company founded nine years ago that has become the world's largest online community discussion platform. Even though we only have 62 employees, we are a top-50 website and have 100 million unique monthly visitors spread over 7,000 active communities. For comparison, the top newspaper website in the US, *NYTimes.com*, has 31 million unique monthly visitors. Our global platform helps facilitate cultural exchanges and connections for people in over 190 countries.

We at reddit support efforts to maintain a truly open Internet. We believe that FCC Chairman Tom Wheeler’s proposal threatens it. The proposal would change the Internet—even though the Internet is not broken. To quote the FCC’s 2005 Policy Statement, throughout the Internet’s history, access to the Internet has been granted “in a neutral manner.” ISPs did not block sites; they did not engage in “technical discrimination,” treating traffic from some sites or applications better than others based on the class of the application; and they did not offer “paid prioritization”—fast lanes for those willing to pay extra. Up until this year, the FCC guaranteed these aspects of neutrality in policy. The Chairman’s proposal would change that. Though it would forbid blocking, it would permit technical discrimination and paid prioritization. It would also permit ISPs to negotiate *exclusive deals* with websites and appmakers in certain sectors, offering them and only them access to the fast lane, while relegating all of their competition to the slow lane. Finally, it has loopholes permitting access fees and discrimination through interconnection and mobile access.

The Chairman’s proposal would force owners of websites and applications to negotiate individual deals with cable and phone companies across the U.S. The terms of the deals: sites or appmakers pay ISPs to make sure their users—who are *already* paying those cable and phone companies for capacity to access the Internet—can use their site or application without being buffered to death. That’s unfair to the users and the entrepreneurs who have made the Internet the place it is today. The Chairman’s proposal also creates perverse incentives. It’s a road map for cable and phone companies to disinvest from their networks, to create congested slow lanes harming their users and most websites and applications just to extract some extra money from the few large companies who can pay to avoid the congestion.

If the de facto net neutrality rules in the previous decade were not in place, the reddit platform might not exist. If the Chairman’s proposal is enacted today, our operations might have to be curtailed drastically. We call upon the FCC to enact bright-line rules which prohibit blocking, technical discrimination, and paid prioritization, for both fixed and mobile. Doing that requires

classifying broadband providers under Title II of the Communications Act with appropriate forbearance.¹

I. Reddit is the Front Page of the Internet

reddit is a collection of online discussion threads, some composed of only one post, others composed of thousands. These threads are organized into “subreddits” dedicated to specific interests: there’s a subreddit for philosophy, for videos, for science (“/r/askscience”), for women’s issues (“/r/twoXchromosomes”), for citizen reporters (“/r/UkrainianConflict”), and many, many others. Threads are voted up and down by members, making them more or less prominent within the subreddit and reddit itself.

reddit has developed into a community—really, a collection of communities—dedicated to common interests and causes. It is one of the Internet’s great resources for curious minds, displaying a vast amount of information on almost any conceivable topic, and inviting users to contribute their own knowledge and beliefs. One of our most popular communities on reddit is called /r/IAmA in which participants ask redditors to “AMA” or “ask me anything”. It’s an informal interview format created by reddit users that allows people with a story to field questions and have an authentic and informal conversation with people from all over the world. Political & cultural icons like President Obama, Bill Gates, Arnold Schwarzenegger, Buzz Aldrin and even an astronaut on the ISS have taken part in an AMA on our platform to communicate and engage with a generation that grew on the Internet and the World Wide Web that runs on it.

It is also a platform for organizing collective efforts. To list just a few:

In 2010, redditors raised over \$560,000 for DonorsChoose—a charity to donate much-needed classroom supplies to schools all over the the United States—as part of Operation Truthy Classroom to convince Stephen Colbert to hold a rally to restore sanity. The rally that was later announced by Stephen Colbert & Jon Stewart had over two hundred thousand of people attend, which was vastly more than the organizers anticipated.^{2 3}

In 2010, one redditor posted about a seven-year-old Michigan girl, then in the late stages of Huntington’s Disease, whose neighbors had harassed for her disease. redditors raised money for her to buy toys from a local shop.⁴ In 2012, one redditor posted about an attack at a Kenyan orphanage and asked other redditors to raise the \$2,000 necessary to secure the site with a concrete wall. redditors gave over \$80,000.⁵

¹ <https://www.eff.org/deeplinks/2014/07/forbearance-what-it-why-its-essential-net-neutrality-0>

² http://voices.washingtonpost.com/blog-post/2010/09/rally_to_restore_sanity_to_mee.html;
http://www.reddit.com/r/ColbertRally/comments/dxybq/500000_half_a_million_dollars_holy_crap/

⁴ http://www.washingtonpost.com/blogs/worldviews/post/huntingtons-disease-kills-nine-year-old-kathleen-edward-bullied-girl-video/2012/01/13/gIQAXRg1wP_blog.html

⁵ http://www.huffingtonpost.com/2012/01/27/reddit-donates-kenya-orphanage_n_1237016.html

reddit was the first website that announced it would blackout on January 18, 2012 in protest of the Stop Online Piracy Act (SOPA) and PROTECT IP Act (PIPA).⁶ Also, when GoDaddy.com (a domain-hosting company) publicly supported the bill, one redditor led a collection of redditors to boycott GoDaddy. The post was titled, "GoDaddy supports SOPA, I'm transferring 51 domains & suggesting a move your domain day."⁷ Enough redditors saw the post and transferred their own domains that within 24 hours GoDaddy publicly withdrew its support of the bill.⁸

II. The Chairman's Proposal Might Have Ended reddit Before It Was Even Born

If the Chairman's proposal had been law in 2005, reddit might not have gotten off the ground.

Steve Huffman and Alexis Ohanian founded reddit in 2005. Huffman and Ohanian were 22 and had just graduated college. The reddit team was just the two of them, working out of an apartment in a Boston suburb.

reddit was in the first batch of startups to receive funding from Y Combinator. Today, Y Combinator is the premier seed accelerator in Silicon Valley: it has a portfolio of over 700 companies valued at over \$20 billion and creating over 3,000 jobs at quickly growing companies. Like many of its startups, Y Combinator was once the crazy idea of one entrepreneur, Paul Graham.

In 2005, Huffman and Ohanian took a train from Charlottesville, VA to Cambridge, MA to see Graham speak at Harvard. Graham and his partners later rejected Huffman and Ohanian's first idea for a startup (a mobilephone food-ordering app)—but Graham wanted to work with Huffman and Ohanian, and suggested they build something in a browser that solved their own problem. The duo was accepted to Y Combinator to create a better way to find out what was new and interesting online, a "front page of the internet." Y Combinator invested a total of \$12,000 and they got to work with little more than a pair of computers and lots of spaghetti.

Stop for a moment and think about that amount. To get a global company off the ground, \$12,000 is a staggeringly small amount of money. One of the reasons the open Internet is so great is that it makes \$12,000 *sufficient* to get a major company off the ground. But \$12,000 would not have been enough to cover ordinary operating expenses *and* put us in a fast lane. Paul Graham and his partners would have been faced with a hard choice: either invest the additional money necessary to put us in the fast lane, or run the risk that reddit might not take off because users were frustrated with the difficulties of accessing it. Perhaps Y Combinator wouldn't have even had that choice: Graham and his partners wouldn't have had the money to start *Y Combinator* if they had to pay for fast lanes for each of their startups.

⁶ <http://www.theverge.com/2012/1/18/2715300/sopa-blackout-wikipedia-reddit-mozilla-google-protest>.

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http://www.reddit.com/r/politics/comments/nmnie/godaddy_supports_sopa_im_transferring_51_domains.

⁸ <http://arstechnica.com/tech-policy/2011/12/godaddy-faces-december-29-boycott-over-sopa-support/>

reddit's history shows that even with a great idea and a great team, it's hard to raise money as a startup. There's a lot of risk involved. If the Chairman's proposal were in effect, our founders would have had to address another, significant concern from potential investors: how are you going to overcome the incumbents' advantage in better Internet access? Under the Chairman's proposal, we would not only have had to raise more money; we also would have had more difficulty raising money, period. Maybe we would have never gotten a dime.

III. The FCC Chairman's Proposal Threatens reddit Today

We are not Facebook, valued at over \$100 billion;⁹ we are not Google, valued at nearly \$400 billion.¹⁰ As incredible as it may seem, despite reddit's popularity and importance to Internet culture, we do not have huge profits. As of February 28, 2014, reddit has not broken even (though it is close). We run on a tight budget. In large part, that is due to the fact that reddit is especially concerned with promoting the goals of our community. First, we impose strict rules on the type of ads permitted on reddit's message boards: ads cannot be flashy or spammy. Though these ads would be the most profitable for us, they are also the most invasive for our users. Second, we have voluntarily "decimated"¹¹ our ad revenues: we have pledged to donate 10% of all our ad revenues in 2014 to non-profits nominated and voted upon by our users.

If the Chairman's proposal becomes law, we will face a series of hard choices. Our current situation is precarious: who wouldn't want to be the front page of the Internet? Many current players, some of them big (such as the *New York Times*, *Buzzfeed*) and others titanic (such as Facebook and Google) would love to take our place. They have *significantly* more money than we do. Google, for example, posted profits of \$3.45 billion last quarter.¹² Our competitors have the ability and the will to seize any advantage they can. If there is a fast lane, they will be in it.

Even if the slow lane is, absolutely speaking, pretty fast, so long as it is *slower* than the fast lane, people will be deterred from using reddit. It's well-documented that seemingly-inconsequential differences in loading times deter users; users visit a website less often if it loads 250 milliseconds slower than a competitor's.¹³ In the Internet permitted by the Chairman's proposal, users will be used to the fast lane, and reddit will look like dial-up compared to Google's DSL.

To stay competitive, we would have to pay for priority access—negotiating a deal with each individual ISP. We might not be able to afford that. Maybe we could. But even if we could, we would have to come up with the money for it somewhere. To repeat: we don't have piles of cash lying around our HQ. We would have to purchase priority access with some cutback to our

⁹ http://ycharts.com/companies/FB/market_cap.

¹⁰ http://ycharts.com/companies/GOOG/market_cap.

¹¹ We mean "decimate" in its original sense: to take a tenth from the whole. See: <http://www.redditblog.com/2014/02/decimating-our-ads-revenue.html>.

¹² http://investor.google.com/earnings/2014/Q1_google_earnings.html.

¹³ <http://www.nytimes.com/2012/03/01/technology/impatient-web-users-flee-slow-loading-sites.html?pagewanted=all>.

community. Maybe we'd have to run jarring, flashy, spammy ads. Almost certainly, we wouldn't be able to give 10% of our revenues to charities. We'd have to hire more business developers and lawyers, and fewer engineers. We'd have to hire fewer people in total.

As bad as that scenario would be, it's actually the best-case scenario for us under the Chairman's proposal. The Chairman's proposal permits ISPs to negotiate *exclusive deals* with edge providers, guaranteeing them the sole right to a fast lane within a certain sector. There is no way that we could afford *that*. We simply cannot outbid our competitors. They, however, can outbid us.

We have a great site; our millions of users recognize that. They've shown us great loyalty, and we hope they will continue to do so even if we're consigned to a slow lane. But we're also realistic. If our site loads more choppily, slowly, or inconsistently than those of our competitors, many of our users will move. We also will be less able to recruit new users. We won't be the front page of the Internet anymore.

IV. We Need Bright-Line Rules, not a Vague "Commercial Reasonableness" Standard

The FCC proposes to protect us with a vague standard: ISPs can discriminate, but they cannot impose policies which are "commercially unreasonable." We can't defend ourselves with that. We need a blade of Valyrian steel; that's a wooden sword.

We have no lawyers on staff, and we devote our resources solely to meeting the needs of our 100 million visitors. We do not have the resources to engage ISPs in a legal fight, with only a vague standard as our weapon, without any firm ground on which to stand. We need clear, bright-line rules.

We doubt that Section 706 of the Communications Act will permit the FCC to enact these rules. If the FCC does not invoke Title II of the Communications Act, it cannot treat broadband providers as common carriers.¹⁴ As the DC Court of Appeals held in *Verizon v FCC*, "We think it obvious that the Commission would violate the Communications Act were it to regulate broadband providers as common carriers. Given the Commission's still-binding decision to classify broadband providers not as providers of "telecommunications services" [under Title II] but instead as providers of "information services," ... such treatment would run afoul of" the Act. Indeed, *any rule* prohibiting discrimination would involve treating ISPs as common carriers: the FCC would need to leave "substantial room for individualized bargaining and *discrimination in terms*." That means the FCC cannot do a bright line rule against discrimination without Title II. Nor can it ban access fees and paid prioritization, as the court already ruled that such a ban leaves "no room at all" (not substantial room) for discrimination. Thus, in order to enact the rules it must, the FCC needs to classify broadband providers (which, as the FCC recognized in 2010,

¹⁴ <https://www.eff.org/deeplinks/2014/06/fcc-and-net-neutrality-way-forward>;
<http://cyberlaw.stanford.edu/blog/2014/05/net-neutrality%E2%80%99s-legal-binary-either-or-no-%E2%80%9Cthird-way%E2%80%9D>.

have terminating access monopolies over their users) as “telecommunications services” under Title II of the Communications Act and apply rulings with appropriate forbearance.

Conclusion

We urge the FCC to classify broadband providers under Title II of the Communications Act and to enact bright-line rules which:

1. Ban blocking;
2. Ban technical discrimination;
3. Ban paid prioritization;
4. Ban discriminatory exemptions to bandwidth caps;
5. Mandate ISP transparency; and
6. Apply both to fixed and mobile access pipes to the Internet; and
7. Ensure that last-mile interconnection is not used to get around the above rules.

As a technology company, we favor good solutions. While some of these solutions may be politically difficult, failing to adopt them will be fatal to the wider Internet economy and an existential threat to our company.

Now a word from our community:

We asked members of our community to contribute to these comments. Particularly, as we might have never been founded without net neutrality, we asked our users how their lives would have been different without reddit. People in our community do amazing things, and we are proud to be a platform for that goodness.

[This where you come in, redditors.]

[Tell us the stories and experiences that would have never happened if reddit didn't exist.]

[a number of them will be feature here on this official comment]

-- /u/pinwale