

Inside the Burdens of the Net Neutrality Rules

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The Office of Management and Budget does not post the comments it receives on Paperwork Reduction Act notices, like the FCC's [recent notices regarding the net neutrality rules](#). But we have them here.

Surprisingly, OMB received only three comments on the July 8 notices. (The FCC received more when it sought comment on the PRA analysis back in February). These three parties contend that the burden of the new rules is significant. The transparency rule -- requiring disclosure of network management practices -- garnered the bulk of the commenters' displeasure. None of the Net Neutrality rules' supporters filed comments with OMB.

Citizens Against Government Waste. Citizens Against Government Waste submitted brief [comments](#) opposing the new FCC rules. Much of their comments were spent arguing that the non-discrimination rule would negatively affect broadband services and lead to increased spam, fewer privacy controls, and slower service. Regarding the paperwork burdens, CAGW asserts:

[T]he FCC continues to fail to properly address the cost burden to providers of the formal complaint procedures, and ignore the time burden being placed on smaller Internet providers for information collection requirements. Given that small business provides a large portion of the country's job creation, ignoring the economic impact of any new regulation upon these entities is short-sighted. The telecommunications and cable industries and the jobs they provide will be adversely affected by the implementation of the Open Internet Order.

CTIA -- The Wireless Association. CTIA submitted [comments](#) opposing the burdens created by the FCC's new transparency rule. CTIA contends that, despite the [FCC's "Advisory Guidance" clarifying the rules](#), the FCC continues to significantly understate the burden on mobile broadband providers in complying with the transparency rule. Further, CTIA contends that the data collection from the transparency rule has no "practical utility" and is not necessary to enable the FCC to perform its regulatory functions. Third, CTIA contends that the FCC does not distinguish between large and small entities providing broadband services, and that the FCC failed to reduce the burdens on small businesses.

CTIA attacks in particular the FCC's final information collection estimates compared to the NPRM's estimates, where, according to CTIA:

In short, the Commission inexplicably reduced its estimates of the annual hours that it would take to comply with the proposed information collection by more than 300 hours and reduced its estimates of the annual industry-wide internal and external costs of compliance by more than \$4 million and \$29 million, respectively, at the same time that it increased the scope of the information collection.

MetroPCS Communications. MetroPCS contends in its [comments](#) that the transparency rule will both limit its flexibility to compete with other wireless broadband providers and also increase its

costs dramatically. MetroPCS urges OMB to "conclude that the Transparency Rules place too extreme a burden upon broadband Internet access providers in general, and upon smaller and mid tier wireless carriers in particular."

MetroPCS believes that the transparency rule is "broad and vague." It contends that the FCC's "Advisory Guidance" did not adequately address the vagueness in the rules and in fact exacerbated it in certain respects. "[T]he qualification [in the Advisory Guidance] that the relief is only temporary and applicable 'at this time' makes it impossible for carriers or the OMB to accurately assess the real world burden of the collection requirement," it contends. It also asserts that the transparency rule is unnecessary for a carrier (such as itself) that does not require long term contracts and that the cost of compliance with the transparency rule will be significantly higher than estimated by the FCC.