

MEPs criticize EU plans for Big Tech's 'fair contribution' to telecoms costs

By Samuel Stolton · Jul 12, 2022, 10:47 AM ·

European Parliament lawmakers say the European Commission risks harming both the rules that underpin the openness of the internet and competition with a plan to charge data-hungry Internet platforms for some of the costs of telecoms network infrastructure.

MEP heavyweights including Renew's Sophie in 't Veld, Internal Market Committee chair Anna Cavazzini, S&D's Tiemo Wölken, and the Pirate Party's Patrick Breyer, say that the "radical" project should not be pursued without wider consultation, according to a letter obtained by POLITICO and sent to Executive Vice President Margrethe Vestager and Internal Market Commissioner Thierry Breton on Tuesday.

"No one outside the Commission has been able to evaluate the announced proposal of access fees. To us it sounds very similar to ones that have been rejected many times already," the letter says, adding that the proposals could "abolish net neutrality guarantees that Europeans fought hard for." Net neutrality refers to the principle that all internet communications should be treated equally by service providers.

Anticompetitive effects

The letter also targets telecoms providers and highlights potential anticompetitive effects that could emerge since internet providers have a monopoly over their customers and "allowing them to charge content providers for access could cause significant harm to the internet economy."

"Large telecom companies have tried for decades to require compensation from content providers," the letter says, adding that additional charges imposed on such firms could mark "a disastrous return to the economic model for telephony, where telecommunications companies and countries leveraged their termination access monopolies to make communication expensive."

According to documents recently seen by POLITICO, European Union governments support the Commission's aim for platform services to "make a fair and proportionate contribution to the costs of public goods, services and infrastructures." The wording first appeared in the Commission's declaration on digital rights and principles and provides the foundation for upcoming legislation which could appear in the form of a 'Connectivity Infrastructure Act.'

The proposal could come later this year according to two Commission officials who spoke to POLITICO on condition of anonymity.

In a May interview, the Commission's Breton told Les Echos newspaper that telecoms operators weren't getting "the right return on investment" from maintaining the networks, and it was time "to reorganize the fair remuneration of the networks" with a proposal set to appear before the end of the year.

The EU executive says that it is currently in listening mode regarding any future internet levy against platform players. The Commission recognizes that telecom providers' investment needs are "very big" with a "gap of around €150 billion," a Commission official said last week.