

Joint statement ahead of the informal meeting of EU Telecommunication Ministers (23-24 October 2023)

Ahead of the discussion on the future of telecommunications at the Informal Telecommunications Council on 23-24 October, the undersigned organisations wish to reaffirm their collective concern about the direction of ongoing discussions in the EU telecoms sector. In particular, we are concerned about any potential follow-up to continued calls by large telecom companies to reduce competition and introduce regulation imposing payment or negotiation obligations from content and application providers (CAPs) to telcos. We take note of the publication by the European Commission of the results of the exploratory consultation on the "Future of the electronic communications sector and its infrastructure", an exercise to which most of our organisation have contributed to.

We recognise the importance of developing a resilient network infrastructure that can provide high quality, affordable and accessible connectivity necessary for distributing content efficiently to consumers, including those most vulnerable. However, our main concerns remain, following the announcement by Commissioner Thierry Breton of a potential new legislative measure, a "Digital Networks Act".

The significant concerns of our organisations are widely shared and well documented, including in the consultation results and in the form of a <u>Joint Stakeholder Statement</u> from May 2023. The majority of stakeholders, which includes the signatories of the present letter (<u>civil society and consumer organisations</u>, creative and cultural sector <u>organisations</u>, <u>mobile virtual network operators</u>), as well as <u>regulators</u>, <u>internet exchange points</u>, competitive telecom operators, tech industry, start-up organisations, Content Delivery Networks (CDNs) and cloud providers, have all opposed the principle of network fees. The ample evidence collected by this consultation has made clear the dangers that a network fees mechanism would cause to the ecosystem, while highlighting the lack of evidence of any

market failure that would require such regulatory intervention. This is in line with the position of EU telecom regulators body BEREC.¹

We therefore call on EU policy makers to reject regulatory intervention in the telecoms market which would translate in measures imposing a direct or indirect payment obligation, be it through a mandatory dispute resolution mechanism, mandated negotiations or any other mechanisms which would effectively amount to network fees through a "sending-party-network-pays" system. Such a measure would have wide-ranging negative consequences on consumer welfare, net neutrality, competition, investment in culture, and more generally on the resilience of the internet ecosystem.

In line with the previous joint statement, our organisations wish to recall the key principle that any regulatory intervention should be based on a transparent and inclusive process with comprehensive and thorough analysis in order to establish an evidence-based necessity for regulatory intervention. In line with the European Commission's Better Regulation Principles, any upcoming legislation should follow due process, in the form of an inclusive and comprehensive public consultation and impact assessment.

The current internet ecosystem, built on the foundations of a competitive, open and free internet, is not only sustainable, but is also the best way to ensure a thriving future for electronic communications. It is built on the shared success of telecom operators, content providers and consumers, and it has been demonstrated time and time again that competition is the ultimate driver for consumer welfare and investments in connectivity. Any new policy or legislative measure, such as the so-called "Digital Networks Act" must not put these principles into question.

ACT – Association of Commercial Television and Video on Demand Services in Europe AEVOD – Asociación Española de Video Bajo Demanda BEUC – The European Consumer Organisation CCC – Chaos Computer Club DME – Digital Music Europe EDRi – European Digital Rights EFF – Electronic Frontier Foundation Epicenter.Works European VOD Coalition IFPI – Representing the recording industry worldwide IT-Pol – IT-Political Association of Denmark MPA – Motion Picture Association MVNO Europe – Mobile Virtual Network Operators Europe SROC – Sports Rights Owner Coalition VAUNET – Verband Privater Medien

Video Games Europe

¹ BEREC preliminary assessment of the underlying assumptions of payments from large CAPs to ISPs, available at: <u>https://www.berec.europa.eu/en/document-categories/berec/opinions/berec-preliminary-assessment-of-the-underlying-assumptions-of-payments-from-large-caps-to-isps</u>