



JOINT E-COMMUNICATIONS INDUSTRY STATEMENT ON THE OPEN INTERNET DEBATE

Brussels, 01.04.2014 – The electronic communications industry is highly concerned about the recent developments of the open internet debate at European level. Whilst we support an open internet, a set of misconceptions about our industry, together with a rushed legislative process and a lack of technical analysis, risk transforming the Connected Continent Regulation into an anti-innovation and anti-consumer choice legislation.

The current draft legislative compromise in the European Parliament reflects very restrictive views on how the internet should work and on how specialized services with enhanced quality could be offered. If these views prevail, a wide range of players in the EU digital value chain will be negatively affected and, as a result, there will be a lower quality of service for consumers and businesses in Europe. The internet as a platform for creativity and entrepreneurship, with access offered to the widest range of consumers via a variety of different offers, will be severely constrained.

The proposals will result in a lower quality internet for all. The European Parliament position, as it stands, would put in jeopardy services currently provided to broadband users, such as VPNs for businesses, IP-TV and telepresence. They would also prevent operators from efficiently managing their networks and from providing innovative services that require enhanced levels of quality, such as telemedicine or e-education. This would threaten innovation and new growth opportunities for those who invest in Europe's digital spine.

A good example is video traffic, which is predicted to rise to 70% of the internet traffic during 2014. Given this impressive figure, the debate around how such traffic is managed and optimized is going to be essential to the effective operation of the internet.

These provisions will reduce European users' choice. Consumers, businesses and healthcare providers are all demanding innovative services, and consider them as essential to the development of their organizations. Why threaten the choice they have today by imposing restrictive rules? The European market for internet access is a vibrant one, where users' choice and product differentiation play a key role.

These provisions will distort competition. The internet is a complex ecosystem. Backbone and CDN providers have a business model based on obtaining revenues from improving the quality of experience for end-users. They compete with network operators who can offer content providers access to the end customer at a lower cost. Restrictive Open Internet provisions will benefit some players to the detriment of others and will distort competition.

These provisions will create legal uncertainty. The 2009 Framework already empowers National Regulatory Authorities (NRAs) to intervene and set quality of service levels for internet access. NRAs and their pivotal role in harmonizing regulation has been somewhat overlooked in the current debate, which focuses on blurry technical translations of generic principles. As recently underlined by BEREC in public events, Open Internet rules should be kept light and simple. Hyper-prescriptive and complex provisions will create a very uncertain regulatory environment, no longer allowing regulators at EU and national level to react to technology and market developments.

The companies we represent are all about giving people access to the services they want and this is why we have embraced the principle of an Open Internet since the beginning of the debate. However establishing

and defending such a principle has nothing to do with stifling innovation and blocking growth. For this reason, we call on EU decision-makers to adopt future-proof measures and to carefully consider any decisions that might affect innovation in the Digital Economy and the functioning of the internet as we know it today.

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Cable Europe (www.cable-europe.eu), the European Cable Communications Association, is based in Brussels and groups all the leading European cable TV operators and their national trade associations throughout Europe. The aim of Cable Europe is to promote and defend the industry's policies and business interests at European and international level. The European cable TV industry provides digital TV, broadband Internet and telephony services to more than 73 million customers.



ECTA (European Competitive Telecommunications Association - www.ectaportal.com) is the pan-European pro-competitive trade association that represents over 100 of the leading challenger telecoms operators across Europe. For over a decade, ECTA has been supporting the regulatory and commercial interests of telecoms operators, ISPs & equipment manufacturers in pursuit of a fair regulatory environment that allows all electronic communications providers to compete on level terms. Our members have been the leading innovators in Internet services, broadband, business communications, entertainment and mobile.



ETNO (the European Telecommunications Network Operators' Association - www.etno.eu, @ETNOAssociation) is the voice of the European telecommunications network operators with over a decade of experience in shaping EU telecoms policy. The association represents 41 companies located in 35 European countries. They account for an aggregate annual turnover of more than 250 billion Euros and employ over one million people across Europe.



The **GSMA** represents the interests of mobile operators worldwide. Spanning more than 220 countries, the GSMA unites nearly 800 of the world's mobile operators with 250 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and Internet companies, as well as organisations in industry sectors such as financial services, healthcare, media, transport and utilities. The GSMA also produces industry-leading events such as Mobile World Congress and Mobile Asia Expo. For more information, please visit the GSMA corporate website at www.gsma.com. Follow the GSMA on Twitter: @GSMA .