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**Net Neutrality and Open Networks –
Towards a European Approach**

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Conference 'Network Neutrality - Implications for Innovation and
Business Online'

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Ladies and gentlemen,

I am grateful to be participating in this conference and addressing this select audience on the topic of "Net Neutrality". I am happy to see that a country like Denmark, a leader in EU broadband penetration and among the world leaders in terms of digital development, is putting the issue of net neutrality on the agenda.

Net Neutrality is a topic that has enjoyed a lot of media attention on the other side of the Atlantic. Attention is also increasing in Europe, not least because of the ongoing Telecoms reform.

One should wonder what the real reasons are behind the heated debates on this topic.

Proponents of Net Neutrality will claim that ensuring that the Internet remains open, is paramount to guarantee that the next Google or the next Skype will be able to reach everyone around the globe. Net Neutrality is seen as the Guardian Knight that will allow the proverbial "2 guys in a garage" to be able to amaze the world with the next big thing.

Opponents of Net Neutrality, typically big network providers, will claim that enforcing strict Net Neutrality rules will make it impossible to make profits out of their network investments. Given that their 'cash cow' – namely revenues out of voice telephony – is starting to fade away, they are looking for new types of revenues to boost their business. And such revenues could come from video or television services, which need a lot of bandwidth and reliable, superb quality connections.

A cynical observer may note that in the end this whole Net Neutrality debate is about hard cash. Dollars & Euros. That it is about trying to use regulation as a means to get a better position around the negotiation table. That this is just about arm wrestling between big network providers and successful providers of internet services.

Obviously a lot of money is involved in building out new networks, and if Europe wants to become the most competitive knowledge based economy we definitely need these networks. So money is a concern.

Now as a politician, I need to understand the concerns of all parties. And both the opponents and proponents of Net Neutrality have valid arguments.

It goes without saying that the well-functioning of the digital economy is imperative for the well-functioning of the entire European Economy.

The Commission has just reiterated its opinion on what constitutes a well functioning digital economy in its new Communication on future networks and internet. Following my initiative, this Communication – issued yesterday – sketches out the ecosystem of future internet developments which will have a significant impact on our future economy.

Yesterday's Communication also describes which challenges we should deal with if we are to benefit effectively from the major growth and jobs opportunities which these future developments may provide. The Commission recognises the issue of net neutrality as one such challenge.

The vision of the Commission is clear.

A truly open digital economy based on interoperable networks and inclusive access to the internet **is of crucial importance**.

Convergence and Next Generation Networks will put all content on the same platform. How do we respond to the challenge of having interoperability and a level playing field when boundaries between markets are blurring?

This is the important challenge to face:

- for the sake of delivering more benefits to consumers, and
- for the sake of having more innovative services from European service and content providers.

Only through openness can the digital economy be the engine for creating more growth and jobs.

Let it be clear that as the Commissioner for Information Society & Media, one of my key concerns is to ensure that the internet remains open from the point of view of service providers wanting to deliver new, innovative services, AND open from the point of view of consumers wanting to access the services of their choice and create the content of their choice. I need to ensure that Europe's single market of 500 million citizens provides business and consumers with products and services that best suit their needs.

So today we need to see how we effectively can construct a truly European approach to net neutrality.

Competition and transparency must be our guiding principles. Based on an open digital economy and on interoperable networks, we should focus as first priority on innovation, consumer choice, and growth.

Some proponents of Net Neutrality would like to see equal treatment for everyone cast in the Stone Tables of the Telecoms Reform. But we must recognise that openness for innovation sometimes cannot exclude legitimate network management practices. For instance, traffic prioritisation can sometimes be an important driver of value and growth for operators. The Commission's vision of an open and competitive digital market does allow for traffic prioritisation, especially for providing more innovative services or managing networks effectively. We have to allow network providers to experiment with different consumer offerings. In the end, it will be up to the consumers to decide to change to a provider that offers them what they would like.

Of course, abusive or anti-competitive behaviour limiting consumer choice is a serious risk: through prioritisation of traffic, in some situations, the quality of service of all operators could degrade to unacceptably low levels. We – the Commission and the National Regulatory Authorities – shall not accept this.

Today, the Telecoms EU rules already provide us with helpful tools to deal with uncompetitive situations, should these occur.

For the future, the Commission has proposed, in its review of the Telecoms package, to create the possibility of setting minimum quality levels for network transmission services based on technical standards identified at EU level.

Turning now to the need to guarantee the basic net freedoms, especially against the selective blocking of websites by Internet Service Providers, I don't believe that restricting consumers' choice can ever be an appealing driver of more growth. I certainly don't believe that restricting access to the internet will attract many more innovative European internet companies. And I don't believe that restricted access to the internet is the right answer to a faster deployment of Next Generation Access Networks.

I trust that European operators understand that and I welcome the fact that last week the European Parliament endorsed by a large majority the Commission's proposal that internet access in Europe should comply with minimum quality levels.

Having a competitive market means that if one supplier seeks to restrict user rights, another can enter the market with a more 'open' offer. This is exactly what the EU regulatory framework has been created for: to ensure that the telecoms market remains competitive, our common EU rules require consumer offerings to be transparent.

Ladies and Gentlemen, to conclude, I strongly believe that the European Commission's proposals on net neutrality and net freedoms as supported by the European Parliament last week, strike the right balance between allowing competition to operate while putting sufficient safeguards in place for internet users. This debate will now continue in the Council of Ministers. But it is not only a debate for politicians. It is a debate for us all and for every citizen. This is why I am very grateful that Denmark has chosen to put the issue of net neutrality and net freedoms high on the European agenda with today's conference here in Copenhagen.

Thank you for your attention