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EUROPEAN TELCO PROPOSALS THREATEN TO IMPAIR ACCESS TO OPEN, GLOBAL INTERNET

This December, Member States of the International Telecommunication Union (ITU) will be amending its telecommunications treaty, the International Telecommunication Regulations (ITRs) at the World Conference on International Telecommunications (WCIT). While the ITRs have played an important role in promoting interoperability and interconnection of traditional telecommunications systems, CDT is concerned that some proposals could bring about significant changes to the way the Internet works. In particular, proposals put forward by the European Telecommunications Network Operators (ETNO) association would change some of the fundamental operating procedures and principles of the Internet.

Key areas of concern:

The proposals seek to:

- Impose a cumbersome and costly “sender-pays” interconnection model on the Internet, replacing the current practice of largely settlement-free peering (where different network operators exchange traffic across the global Internet without exchanging payments). The proposal also seeks to increase the role of governments in regulating international interconnection, a significant departure from the lightweight and functional peering system that has supported widespread interconnection among networks.
- Dramatically change the fundamentals of the Internet by increasing the range of entities that would be subject to the treaty (and therefore subject to the interconnection model mentioned above). This would be accomplished through changing the definition of “recognized operating agencies” (a limited category of licensed telecommunications operators) to the more general “operating agencies”, which could include entities that, for example, provide content and over-the-top services.
- Establish a two-tiered Internet by mandating end-to-end Quality of Service capabilities in addition to the “best efforts” delivery of traffic, requiring network operators to adopt a “pay for priority” model. This would undermine the principle of Internet neutrality supported by many stakeholders, including governments.

Taken individually these proposals will have a significant impact on the Internet's functioning. Taken together, they will change the Internet's fundamental nature and operation.

Findings:

These proposals by ETNO and several Member States will:

- Change the fundamental operating principles and nature of the Internet to the detriment of all users, whether individuals, business, governments, or others
- Only benefit large (and/or incumbent) telecommunications operators
- Likely increase costs to all Internet users (including governments), content and services providers, and others, as operators further leverage and monetize their networks

- Have no impact on economic or social development and indeed may have the opposite effect as access to the Internet becomes more costly and/or restricted, possibly increasing the digital divide
- Penalize those who provide the services, content, and applications that drive Internet traffic
- Mitigate and inhibit Internet deployment around the globe due to the increased costs to both users and over-the-top content, service, and application providers
- Not result in an increase in infrastructure build but rather the continued leveraging of existing assets
- Stifle innovation through increasing barriers to entry and consequently stifle competition
- Likely inhibit growth in “best efforts” Internet access (largely the Internet of today) as operator focus turns to more lucrative, higher added-value Quality of Service-based traffic
- Likely result in businesses and users, particularly in developing countries, having reduced access to the full range of information or services online or will find that access more expensive.

Key messages:

- When considering revisions to the ITRs at the WCIT it is important to assess their overall impact. ITRs are principle-level regulatory tools that have facilitated the growth and impact of telecommunications. Revisions should enhance the current communications environment, not inhibit it.
- Proposals that would seek to so fundamentally change the way the Internet operates so that its reach, impact, and success are inhibited rather than enhanced are clearly contrary to the purpose of the ITRs.
- These proposals do not meaningfully promote access to the Internet or benefit users. In fact, they may harm citizens in less-developed countries the most, limiting their rights to access information and knowledge and to express themselves among a global community of users.
- The proposals will hinder the ability of local entrepreneurs and businesses to participate in the global information economy by raising the cost of reaching foreign users, thus curbing the economic benefits that can flow from the Internet.
- The proposals will fundamentally alter the way the Internet currently works, likely resulting in benefits only for large, incumbent telecommunications operators and harm to users, especially those in countries where Internet access is most lacking.

Recommendation:

Internet users everywhere should urge their governments to oppose the ETNO proposals and any similar proposals that ITU Member States may consider at the World Conference on International Telecommunications treaty negotiation this December.

Further information:

For a comprehensive review of these proposals, see:
https://www.cdt.org/files/pdfs/CDT_Analysis_ETNO_Proposal.pdf

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