

# Net neutrality : an issue in Europe and France ?

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Opinions expressed are the personal view of the speaker

**Slide 1**

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**CJ1**

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# Agenda

- Net neutrality : not a regulatory subject
  - USA : 2 years after
  - Europe – France Net Neutrality : not an regulatory issue
- Economic problem : growing costs / flat revenues
  - Players and rules in the Internet value chain
  - Access providers / Service editors new economic models

## USA, 2 years after

- 2005
  - FCC Rulemaking & Policy statement
  - RBoc fiber announcements on FTTx
  
- 2006
  - Experts, public and political debate
  - COPE
  - Rejection of Net neutrality proposed bills
  - Mid-term election
  - ATT/Bell South net neutrality 30 months commitment
  
- March 2007
  - FCC NOI

## Europe – France Net Neutrality : not a regulatory issue

- 2007 OECD draft document
- 2006 European Commission consultation document on the Review
  - A few lines on net neutrality – no other echoes since
  - DSL still regulated in Europe :
    - Priority for access competition
    - Access and interconnection obligations
- March 2007 – UK public debate on Net Neutrality
  - Not an UK issue
  
- France
  - No specific net neutrality news
  - But Arcep's decision on Value Added Services on narrow band access
    - First decision by a European regulator on online service regulation
    - Legal basis largely independent from narrow/broad band

## Players and Rules in the Internet value chain

- **Access** provider – Transit carrier – Hosting – **Editor** – Producer



- **Editor** : commercial management and legal liability on content and rights
- Public Internet access regulation : no discriminatory contract between **access** and **editors** in the public Internet => freedom issues (economic, cultural, political ...)
- Private Intranet : no specific regulation, if no abuse of dominant position
- Types of traffic priority :
  - For network security reasons
  - Because all traffic have not the same needs (e.g. UDP vs. TCP)
  - **Related to economical optimisation : traffic value / cost of occupation**
- Net neutrality issues only in the access network, not on transit

## Access Providers / Service Editors new economic models

- **Overstated impact of tariff based traffic priority on value transfer**
  
- **Usage growth / Triple play expansion -> Higher costs : who pays ?**
  
- **Solution in Arcep's decision on narrowband Value Added Services ?**
  - 3 relevant economic models / Two Sided Markets
    - Normal communication price to service editor
    - Low retail price communication subsidized by service editor
    - High retail price communication shared between service editor and access provider
  - Fully symmetrical non discrimination obligations :
    - Between all access providers (not only incumbent)
    - Between access providers and service editors (who have the market power)