



Net Neutrality – an EC perspective

XIII REGULATTEL-BEREC Summit meeting on Internet and regulatory challenges

Buenos Aires, 21 July 2014

Reinald Krueger, Head of Unit *Regulatory Coordination & Markets*, DG CONNECT

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Basic principles

- Strength of the Internet lies in its open and distributed nature. Its openness has converted the Internet in a source of innovation.
- In an open Internet everyone should have access to services and applications without being blocked or throttled.
- Content and application providers to have guaranteed access to end-users.
- Guaranteed access should not depend on will/particular interests of Internet service providers.

Relevant questions

What is innovation?

- Finding a better way of doing something.
- The application of better solutions that meet new requirements or existing market needs.



Who can innovate?

- Everyone can innovate.
- All participants in the Internet value chain:
 - telecom operators
 - content providers
 - citizens etc.

Rigidity of rules and innovation

- The Internet is a fast developing platform and not all developments can be foreseen (see software defined networks etc.).
- A too narrow definition of specialised services could make the provision of such services impossible.
- Too rigid conditions that specialised services should fulfil would prevent certain players to develop quality based services.

What does innovation mean for Europe?

- The EU app economy has been growing exponentially since 2008.
- Global **revenues** from the app economy reached \$56B in **2012** with over a quarter of these revenues being generated in Europe (**~\$14bn**).
- Around **530,000 jobs** that are directly related to the app economy (e.g. in development) have been created in **EU28** countries in 2012.
- In the USA the app economy is responsible for roughly **752,000 jobs** (July 2013) from zero in 2007 when the iPhone was introduced.
- **Thousands of more jobs** are being created in **adjacent industry sectors in Europe** such as healthcare, education and finance as a result of mobile apps.

EU28 APP ECONOMY JOBS, 2013
(thousands)



Source: VisionMobile

NN approach promoting innovation

Two pillars support innovation

1) Open internet - guaranteed access to end- users

- Clear traffic management rules
- No discrimination, blocking etc.

**=> Important for innovation,
especially for content
providers and start-ups.**

2) Specialised services

- Responding to specific demand
- Subject to certain conditions

**=> Important for innovation,
especially for telcos and content
providers offering quality
sensitive content.**

Safeguards for innovation

1. National regulatory authorities have
 - far-reaching monitoring obligations
 - powers to impose minimum quality of service requirements in order to prevent impairment of the general quality of the internet.
2. Legal certainty that operators and content providers can differentiate on quality of service, creating new opportunities for business models.