

POSITION PAPER



Position Paper

on BEREC Draft Report on the IP Interconnection ecosystem 2024

Date July 26, 2024

VAUNET - Verband Privater Medien e. V. is pleased to take this opportunity to comment on the BEREC Draft Report on the IP Interconnection Ecosystem.

VAUNET is the German umbrella organization of private media providers. It represents more than 160 companies that provide private journalistic and editorial radio, television, and streaming services and distribute them via a variety of technical channels. Its members enrich Europe's media landscape with diversity, creativity, and innovation.

Evidence-based and inclusive policymaking is of the utmost importance to VAUNET. BEREC's draft report is a crucial contribution to the ongoing discussion on the future of digital communication online.

VAUNET fully agrees with the broad findings of BEREC's analysis of the IP interconnection ecosystem.

In particular VAUNET strongly supports the overall consideration that the market of peering and transit functions properly. BEREC is right to confirm, in line with the views of most of the technical community and economists, that there is no regulatory gap in the IP interconnection market.

VAUNET further supports the consideration, that

- the data traffic growth rate is stabilising and even if the distribution of UHD video content contributes to traffic growth in the coming years, this growth can be offset by the use of CDNs and compression techniques. In fact, private media make a significant contribution to reducing bandwidth not only by using CDNs but also by using and investing in compression and caching technologies. Both to the benefit of an increase of the efficiency of digital infrastructures and to a benefit of ISPs. We therefore welcome that BEREC recognises that *„Network usage has increased, but due to continuous technological developments as well as competitive pressure, marginal network costs are observed to have declined to the point that they outweigh any increased costs associated with increased network use.“*
- there is a *“mutual interdependence between content and application providers and ISPs. The demand from ISP customers for content drives demand for broadband access, and the availability of broadband access drives demand for*

content". With this BEREC rightly acknowledges the symbiotic relationship of market players in which content providers invest in connectivity and infrastructure by allowing Europeans to derive value from the premiums broadband connection they purchase to watch or stream content.

- BEREC rightly refuses again the argument, that traffic is caused by CAPs, since the data flow request usually comes from the retail Internet access provider's own customer, who asks for content provided by the CAPs.

We hope that BEREC's evidence-based approach will clarify some of the claims still made by proponents of a SPNP or arbitration mechanism in the IP interconnection market.

Against this background, VAUNET once again calls for the rejection of any regulatory intervention in the telecommunications market that imposes direct or indirect payment obligations on audiovisual media, be it through a dispute settlement mechanism, mandated negotiations or other mechanisms that effectively amount to network fees for data-intensive services. Network fees do not only jeopardize the innovation and competitiveness of audiovisual media but also media pluralism.